

Request for Approval of New Internet- or Computer-Based Community School

Ohio Revised Code [3314.013](#) allows for no more than five new internet- or computer-based community schools to open per year. All new internet- or computer-based community schools or existing community schools wishing to begin operation as an internet- or computer-based community school must receive approval from the superintendent of public instruction based on measures prescribed in Ohio Administrative Code (OAC) [3301-102-09](#). Applications will be evaluated based on the following criteria:

- (1) The sponsor's experience with online schools, which shall include, but not be limited to, the following:
 - (a) The number of years and number of online schools for which the sponsor provided monitoring and technical assistance since the inception of such activities; and
 - (b) The degree to which the online schools met Ohio's operating standards for online schools (October 2011, education.ohio.gov), upon the effective date of those standards;
- (2) The operator's experience with online schools, which shall include but not be limited to, the following:
 - (a) The operator's experience managing the daily operations of an online school or providing programmatic oversight and support to an online school since the inception of such activities, and
 - (b) The degree to which the online schools met Ohio's operating standards for online schools (October 2011, education.ohio.gov), upon the effective date of those standards.
- (3) The sponsor's schools' records of academic performance in all years under its sponsorship including the following:
 - (a) Assessment of the sponsor's schools' student performance, as aligned with the evaluation system described in section 3314.016 of the Revised Code; and
 - (b) Report cards and performance ratings issued for the sponsor's community schools under section 3302.03 of the Revised Code;
- (4) The operator's affiliated schools' records of academic performance in all years under its operation as measured by the following:
 - (a) Report cards and performance ratings issued for the sponsor's community schools under section 3302.03 of the Revised Code;
 - (b) Comparable performance ratings of out-of-state schools with which the operator has experience.
- (5) A preference for operators with previous experience in Ohio;

Eligibility Requirements

Criteria	Yes	No	Not Applicable
Applicant meets Ohio definition of an internet- or computer-based community school.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applicant's sponsor has at least five years of experience overseeing community schools in the state of Ohio.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applicant's sponsor has at least three years prior experience overseeing internet- or computer-based community school(s) in the state of Ohio.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applicant's sponsor received an overall rating of "Effective" or higher on its most recent sponsor evaluation, if rated.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applicant's proposed enrollment area is within the permitted sponsorship territory outlined in the sponsor's agreement with the Department.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applicant's operator has at least five years of experience managing community/public charter schools.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applicant's operator has at least three years prior experience managing internet- or computer-based community/public charter schools.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applicant's operator received an academic performance score of at least 1 point on its most recent operator report.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Applicant Affirmation

I attest that the application requesting approval for a new internet- or computer-based community school meets all eligibility requirements listed above.

Name: Jennifer Wise Position: Board President

Organization: Ohio Digital Learning School

Signature: Jennifer Wise Digitally signed by Jennifer Wise
Date: 2019.01.10 14:02:37 -05'00' Date: 01/10/2019

Timeline for Form Submission:

Applicants should note the timelines listed below:

January 15, 2019: The applicant must work closely with a sponsor and operator to complete the application. Sponsors are required to submit the completed form electronically **via Epicenter by 11:59 p.m.** on the due date to receive consideration. Only complete applications will be considered. The Department will not review any late or incomplete applications after the deadline.

February 15, 2019: The applicant will receive a decision from the Department on the status of its application.

February 28, 2019: The Department will post application results on its web site along with a list of applications and their review and outcome status.

INCOMPLETE APPLICATIONS WILL NOT BE SCORED.

If you have questions about the application, please email community.schools@education.ohio.gov.

Submission Instructions:

Sponsors are required to submit the internet- or computer-based community school application, all required documents and supporting materials to the Office of Community Schools via Epicenter.

Instructions for Submitting Application in Epicenter:

- 1) Log onto Epicenter at epicenternow.org
- 2) Click the Sign In link at the top of the screen.
- 3) Enter your username and password.
- 4) Click on Document Center.
- 5) On the Document Center page, click Submission Upload button.
- 6) For Entity Type, select school.
- 7) For Submission Type, select **Internet- or Computer-Based Community School Application**.
- 8) For Entities, select appropriate sponsor by checking box next to the sponsor's name.
- 9) Enter in required information.
- 10) Click upload New File button to upload your document.
- 11) (Optional) Type a brief message to the reviewer.
- 12) Click Submit.

Internet- or Computer-Based Community School Application Form

Applicant Information

Proposed Internet- or Computer-Based Community School

School Name: Ohio Digital Learning School

Address: 288 S. Munroe Road, Tallmadge, OH 44278

Primary Contact

Name: Jennifer Wise

Title: Board President

Phone: (419) 973-0616

Email: iansmama181@gmail.com

- 1) Is the proposed internet- or computer-based school a new or existing school? New
- 2) If the proposed school is an existing school, please provide the school's IRN. N/A
- 3) Attach a copy of the application submitted by the applicant to the sponsor for the proposed school.
- 4) **(New School Only)** Attach a copy of the preliminary agreement entered between the applicant and the sponsor of the proposed school. If the applicant does not have a preliminary agreement with a sponsor, please explain.

Proposed School Information

- 1) Please describe the proposed internet- or computer-based community school. In your description, please address the following:
 - reasons applicant believes Ohio would benefit from an additional internet- or computer-based community school
 - community and student population (demographics, ages, and grade levels) school intends to serve
 - enrollment area (specific counties in Ohio)
 - education plan and curriculum intended for each core content area and grade level that complies with the standards developed by the international association for K-12 online learning
 - expectations of academic performance, including academic achievement status or proficiency, academic growth, post-secondary readiness, and expectations for mission-specific performance measures
 - expectations of any non-academic school or student goals to which school will hold itself accountable

Sponsor Information

Organization Name: Ohio Council of Community Schools Organization IRN: 016998

Address: 3131 Executive Parkway, STE 306. Toledo, Ohio 43606

Primary Contact

Name: Jason Wall Title: Vice President

Phone: (419) 720-5200 Email: jason@ohioschools.org

- 1) Identify all internet- or computer-based schools overseen by sponsor. For each of the sponsor’s internet- or computer-based community school, provide the following:
- name and unique school identifier of each internet- or computer-based community school (in Ohio, the IRN is the unique school identifier)
 - calendar years for which the sponsor provided monitoring and technical assistance for each internet- or computer-based community school

Unique school identifier	School name	First calendar year of sponsorship	Most recent calendar year of sponsorship	Total years of sponsorship
	See Attachment 4			

Sponsor’s Experience with Online Schools

- 1) Describe the sponsor’s experience with internet- or computer-based community schools. Please indicate the number of internet- or computer-based community schools the sponsor has provided monitoring and technical assistance to since the inception of such activities.
- 2) Describe the sponsor’s assessment of the degree to which each of its sponsored internet- or computer-based school is meeting the operating standards for online schools, and complying with all applicable laws and rules. If applicable, describe the specific steps taken to correct each internet- or computer-based school’s compliance with applicable laws and rules in the two most recent evaluation cycles.
- 3) Has the sponsor ever terminated or nonrenewed sponsorship with an internet- or computer-based school? Provide an explanation describing the circumstances leading to the decision to terminate sponsorship for each internet- or computer-based school. Describe specific actions taken by the sponsor and timeline for each action. If the sponsor had not had to terminate or non-renew sponsorship with an internet- or computer-based school, please describe what circumstances would

lead the sponsor to the decision to terminate sponsorship and specific actions the sponsor will take including timeline for each action.

Operator Information

If the school plans to work with an operator to manage the operations of the school, please provide the following.

Organization Name: K12 Virtual Schools LLC Organization IRN: 014982

Address: 2300 Corporate Park Drive, Herndon, VA 20171

Primary Contact

Name: Darren Reed Title: SVP, School Services

Phone: (571) 359-2885 Email: dreed@k12.com

1) Is the operator registered with state of Ohio's secretary of state? Yes, in 2008.

2) Is the operator affiliated with any other operators throughout the state of Ohio? (Affiliated means any individual, organization, or nonprofit organization that is officially connected to the operator.)
No.

If yes, please list all operators that the operator is affiliated with. _____

Operator's Experience with Online Schools

- 1) Describe the operator's experience with internet- or computer-based community/public charter schools in the state of Ohio and outside the state of Ohio.
- 2) Describe the operator's assessment of the degree to which each of the operator's affiliated internet- or computer-based schools are meeting the operating standards for online schools.
- 3) Has operator ever terminated its agreement with an internet- or computer-based school? Provide an explanation describing the circumstances leading to the decision to terminate agreement for each internet- or computer-based school. Describe specific actions taken by the operator and timeline for each action. If the operator had not had to terminate agreement with an internet- or computer-based school, please describe what circumstances would lead the operator to terminate agreement with an internet- or computer-based school and specific actions the operator will take including timeline for each action.

Academic Performance of the Sponsor's Schools

No submission is required of the sponsor. Please note this section pertains to all community schools, not just internet- or computer-based community schools. For this section, the Department will review the sponsor's schools' records of academic performance ***in all years under its sponsorship*** including assessment of the sponsor's schools' student performance, as aligned with the evaluation system described in section [3314.016](#) of the Revised Code and report cards and performance ratings issued for the sponsor's community schools under section [3302.03](#) of the Revised Code.

Academic Performance Record of Operator's Affiliated Schools' Records

This section applies to affiliations with all community/public charter schools, not just internet- or computer-based community schools, over the operator's history. For this section, the Department will review the operator's affiliated schools' records of academic performance ***in all years under its operation*** including report cards and performance ratings issued for the community schools under section [3302.03](#) of the Revised Code and comparable performance ratings of out-of-state schools with which the operator has experience.

- 1) If the proposed school will be contracting with an operator, provide a complete and comprehensive list of all schools managed by the operator in the state of Ohio since the operator's first year of operation. For each internet- or computer-based community/public charter school managed by the operator, provide the following:
 - name and unique school identifier of each school (in Ohio, the IRN is the unique school identifier)
 - type of school (site based or online)
 - first and most recent calendar years for which the operator managed the daily activities of the school
 - total years operator managed school

- 2) If the operator managed the operations of schools outside of Ohio, provide a complete and comprehensive list year by year of all schools managed by the operator outside the state of Ohio. For each school managed by the operator outside of Ohio, identify the following information:
 - school's unique school identifier
 - school's name
 - type of school
 - state of location of school
 - list each school year with affiliation
 - list overall state report card rating for that year
 - URL that links to an explanation of the state's accountability system to allow the Department to compare the performance of those schools to Ohio's ratings system

NOTE: If the Department discovers that any of the information provided above is inaccurate, the applicant will automatically be ineligible to receive further consideration from the Department.

Alignment to iNACOL National Standards for Quality Online Programs

This section examines whether the proposed internet- or computer-based community school meets the standards developed by the International Association for K-12 Online Learning for operating a quality online program.

The applicant, sponsor, and operator must work collaboratively to complete the Online Program Self-Evaluation Form on pages 23 through 33 of the iNACOL National Standards for Online Programs [report](#). All three entities must come to a consensus and assign the proposed school a single rating for each standard based on the rating scale in the report. Please attach a copy of the completed Online Program Self-Evaluation Form to this application. The Department will use the assigned ratings to score the application based on the following:

Points	Criteria
Fully Developed 4 Points	This part of the application demonstrates a model of best practice. This part of the application scored between 90% and 100% of the total possible points.
Well Developed 3 Points	This part of the application demonstrates excellent implementation, comparable to other examples. This part of the application scored 80% or more of the total points, but less than 90% of the total possible points.
Adequately Developed 2 Points	This part of the application demonstrates good implementation, but somewhat lacked depth or detail. This part of the application scored 70% or more of the total points, but less than 80% of the total possible points.
Poorly Developed 1 Point	This part of the application demonstrates partial implementation, but additional work is needed. This part of the application scored less than 70% of the total possible points.
Not Addressed 0 Points	The application does not demonstrate a model of best practice or this part of the application does not address the standards for quality online programs.

Preference for Operators with Previous Experience in Ohio

The superintendent of public instruction may approve up to five new internet- or computer-based community schools each year. Should the Department receive more than five applications for new internet- or computer-based community schools each year, preference will be given to qualified applicants managed by an operator with experience managing schools in Ohio.

- 1) Does the operator have previous experience managing community schools in Ohio? Yes.
- 2) How many years of experience does the operator have managing community schools in Ohio?
K12 Inc. and its subsidiaries: 17 years (OHVA); K12 Virtual Schools LLC: 5 years (ISOH)

- 3) List all consecutive and non-consecutive years of experience operator has managing community schools in Ohio.
K12 Inc. and its subsidiaries (K12 Ohio LLC and K12 Virtual Schools LLC) have managed
_____ OHVA in consecutive years from SY02/03-18/19. The current EPSA expires 6/22. K12
_____ Virtual Schools LLC managed ISOH in consecutive yrs from SY13/14 - 17/18, closed 6/18.

Application Scoring

Each application will be rated using the criteria included in the internet- or computer-based community school application rubric and receive a composite score by adding the scores from each of the sections in the rubric. In addition to the composite score, information pertaining to sponsor and operator experience in terms of statutory compliance will be reviewed. In cases where a section is not applicable, the points per section for the remaining applicable sections shall be adjusted to maintain the same proportional weight within the calculation.

Each applicant's score and related information will be considered by the superintendent of public instruction in making decisions regarding the approval or disapproval of submitted and reviewed applications. The Department will determine annually the minimum threshold of total points earned to be recommended for approval. The superintendent of public instruction may approve up to five applications for new internet- or computer-based community schools to open for the upcoming school-year.

Applicant Affirmations

I attest that the information provided on this application is correct and accurate. I understand and agree to comply with all requirements that apply to internet- or computer-based schools.

Name: Jennifer Wise Position: Board President

Signature: Jennifer Wise Digitally signed by Jennifer Wise
Date: 2019.01.10 14:05:21 -05'00' Date: 01/10/2019

Sponsor Affirmations

I attest that the information provided on this application is correct and accurate. I understand and agree to comply with all requirements that apply to internet- or computer-based schools.

Name: Jason Wall Position: Vice President

Signature: Jason Wall Digitally signed by Jason Wall
DN: cn=Jason Wall, o, ou,
email=jason@ohioschools.org, c=US
Date: 2019.01.11 15:40:55 -05'00' Date: 01/11/2019

Operator Affirmations

I attest that the information provided on this application is correct and accurate. I understand and agree to comply with all requirements that apply to internet- or computer-based schools.

Name: Darren Reed Position: SVP, School Services

Signature: Darren Reed Digitally signed by Darren Reed
Date: 2019.01.11 10:41:28
-05'00' Date: 01/11/2019

Internet- or Computer-Based Community School Application Rubric

Application Submission Date: 01/11/2019
 Applicant Name: Ohio Digital Learning School
 Sponsor Name: Ohio Council of Community Schools Sponsor IRN: 016998
 Operator Name: K12 Virtual Schools LLC Operator IRN: 014982

The internet- or computer-based community school application consists of five sections: Proposed School Information, Sponsor’s Experience with Online Schools, Operator’s Experience with Online Schools, Sponsor’s Schools’ Records of Academic Performance in all years under its sponsorship, and Operator’s Affiliated Schools’ Records of Performance in all years under its operation. A sixth component, Preference for Operators with Previous Experience in Ohio, is not scored and will only be considered if the Department receives more than five qualified applications for internet- or computer-based community schools in Ohio. A committee will review all documentation and determine whether to grant approval of the internet- or computer-based community school.

Section A: Proposed School Information

Review Criteria	Not Addressed	Poorly Developed	Adequately Developed	Well Developed	Fully Developed
The application described the proposed internet- or computer-based community school, including: <ul style="list-style-type: none"> The reasons the applicant believes Ohio would benefit from an additional internet- or computer-based community school 	0	1	2	3	4

<ul style="list-style-type: none"> The community and student population (demographics, ages, and grade levels) school intends to serve The enrollment area (specific counties in Ohio) The education plan and curriculum intended for each core content area and grade level that complies with the standards developed by the international association for K-12 online learning The expectations of academic performance, including academic achievement status or proficiency, academic growth, post-secondary readiness, and expectations for mission-specific performance measures The expectations of any non-academic school or student goals to which school will hold itself accountable 					
Total Points Earned					/4
Comments:					

Section B: Sponsor's Experience with Online Schools

Review Criteria		At least 5 Years	6-7 Years	8-9 Years	10 or more Years
Number of years sponsor has overseen community schools in Ohio		1	2	3	4
Review Criteria		At least 3 Years	4-5 Years	6-7 Years	8 or more Years
Number of years sponsor has overseen internet- or computer-based community schools in Ohio		1	2	3	4

Review Criteria	Not Addressed	Poorly Developed	Adequately Developed	Well Developed	Fully Developed
<p>The application described the sponsor's experience with internet- or computer-based schools, including:</p> <ul style="list-style-type: none"> The number of internet- or computer-based community schools the sponsor has overseen The number of years the sponsor has providing monitoring and technical assistance to the schools 	0	1	2	3	4
<p>The application described the sponsor's assessment of the degree to which each of its sponsored internet- or computer-based school is meeting the operating standards for online schools, and complying with all applicable laws and rules.</p> <p>AND</p> <p>If applicable, the application described specific steps taken by the sponsor to correct each internet- or computer-based school's compliance with applicable laws and rules in the two most recent evaluation cycles.</p>	0	1	2	3	4
<p>The application described instances where sponsor terminated or nonrenewed sponsorship with an internet- or computer-based community school, including:</p> <ul style="list-style-type: none"> Circumstances leading to the decision to terminate sponsorship for each internet- or computer-based school Specific actions taken by the sponsor and timeline for each action <p>OR</p> <p>If sponsor had not had to terminate or non-renew sponsorship with an internet- or computer-based school, application described:</p>	0	1	2	3	4

<ul style="list-style-type: none"> • Circumstances that would lead the sponsor to the decision to terminate sponsorship • Specific actions the sponsor will take including timeline for each action 								
Total Points Earned								/20
Comments:								

Section C: Operator's Experience with Online Schools

Review Criteria	At least 5 Years	6-7 Years	8-9 Years	10 or more Years
Number of years of operator's experience with community/public charter schools	1	2	3	4
Review Criteria	At least 3 Years	4-5 Years	6-7 Years	8 or more Years
Number of years operator has managing internet- or computer-based community/public charter schools	1	2	3	4
Review Criteria	Not Addressed	Adequately Developed	Well Developed	Fully Developed
The application described the operator's experience with internet- or computer-based community/public charter schools in the state of Ohio and outside the state of Ohio.	0	1	2	3
The application described operator's assessment of the degree to which each of the operator's affiliated internet- or computer-based school is meeting the operating standards for online schools	0	1	2	3

<p>The application addressed instances where the operator terminated its agreement with each internet- or computer-based community school, including</p> <ul style="list-style-type: none"> • Circumstances leading to the decision to terminate its agreement with each internet- or computer-based school • Specific actions taken by operator and timeline for each action <p>OR</p> <p>If operator had not had to terminate its agreement with an internet- or computer-based school, the application described:</p> <ul style="list-style-type: none"> • Circumstances that would lead the operator to the decision to terminate its agreement with the internet- or computer-based school • Specific actions the operator will take including timeline for each action 	0	1	2	3	4
Total Points Earned					/20
Comments:					

Section D: Sponsor’s Schools’ Records of Academic Performance

The Department will be assigning a composite weighted score based on the cumulative performance of all schools overseen by the sponsor from academic years 2002-2003 and beyond. From academic years 2011-2012, the total points will be weighed at 50%. For academic years 2012-2013 and beyond, the total points will be weighed at 50%. The weighted points will be converted to points earned from 0 to 4. The score will then be converted to points from 0 to 20, which will be applied towards the total section points.

Weighted Points	Points Earned for Academic Performance Component	Section Points
3.50 – 4.00	4	20
2.50 – 3.49	3	15
1.50 – 2.49	2	10
0.50 – 1.49	1	5
0.00 - 0.49	0	0

Review Criteria	Points Earned	Points Earned	Points Earned	Points Earned	Points Earned
Academic Years: 2002-2003 and beyond	0	1	2	3	4
	0	5	10	15	20
Total Points Earned					/20
Comments:					

Section E: Operator's Affiliated Schools' Records of Academic Performance

The Department will be assigning a composite weighted score based on the cumulative performance of all schools managed by the operator from academic years 2002-2003 and beyond. The weighted points will be converted to points earned from 0 to 4. The score will then be converted to points from 0 to 20, which will be applied towards the total section points.

Weighted Points	Points Earned for Academic Performance Component	Section Points
3.50 – 4.00	4	20
2.50 – 3.49	3	15
1.50 – 2.49	2	10
0.50 – 1.49	1	5
0.00 - 0.49	0	0

Operator Managing Schools in the State of Ohio Only:

If the operator only managed schools within the state of Ohio, the Department will be assigning percentage weights to the operator's affiliated schools' records of academic performance in all years under its operation based on the following. For academic years 2002-2003 through 2011-2012, the total points will be weighed at 50%. For academic years 2012-2013 and beyond, the total points will be weighed at 50%.

Operator Managing Schools Both in the State of Ohio and Outside the State of Ohio:

If the operator managed schools both in the state of Ohio and outside of the state of Ohio, the Department will be assigning percentage weights to the operator's affiliated schools' records of academic performance in all years under its operation based on the following. For all schools within the state of Ohio from academic years 2002-2003 through 2011-2012, the total points will be weighed at 40%. For all schools within the state of Ohio from academic years 2012-2013 and beyond, the total points will be weighed at 40%. For all schools outside the state of Ohio from academic years 2002-2003 and beyond, the total points will be weighed at 20%.

Review Criteria	Points Earned	Points Earned	Points Earned	Points Earned	Points Earned
Academic Years: 2002-2003 and beyond	0	1	2	3	4
	0	5	10	15	20
Total Points Earned					/20
Comments:					

Section F: Alignment to iNACOL National Standards for Quality Online Programs

The Alignment to iNACOL Standards for Quality Online Programs section examines whether the proposed internet- or computer-based community school meets the standards developed by the International Association for K-12 Online Learning for operating a quality online program.

The applicant, sponsor, and operator must work collaboratively to complete the Online Program Self-Evaluation Form on pages 22 through 32 of the iNACOL National Standards for Online Programs [report](#). All three entities must come to a consensus and assign the proposed school a single rating for each standard based on the rating scale in the report. Please attach a copy of the completed Online Program Self-Evaluation Form to this application. The Department will use the assigned ratings to score the application based on the following:

Points	Criteria
Fully Developed 4 Points	This part of the application demonstrates a model of best practice. This part of the application scored between 90% and 100% of the total possible points .
Well Developed 3 Points	This part of the application demonstrates excellent implementation, comparable to other examples. This part of the application scored 80% or more of the total points, but less than 90% of the total possible points .
Adequately Developed 2 Points	This part of the application demonstrates good implementation, but somewhat lacked depth or detail. This part of the application scored 70% or more of the total points, but less than 80% of the total possible points .
Poorly Developed 1 Point	This part of the application demonstrates partial implementation, but additional work is needed. This part of the application scored less than 70% of the total possible points .
Not Addressed 0 Points	The application does not demonstrate a model of best practice or this part of the application does not address the standards for quality online programs.

Review Criteria	Not Addressed	Poorly Developed	Adequately Developed	Well Developed	Fully Developed
<p>Institutional Standards: The institutional standards address the vision, mission, philosophy and beliefs of an online program, and the elements critical to the operation of an online program. The standards examine:</p> <ul style="list-style-type: none"> • Mission statement • Governance • Leadership • Planning • Organizational Staffing • Organizational Commitment • Financial and Material Resources • Equity and Access • Integrity and Accountability 	0	1	2	3	4

<p>Teaching and Learning Standards: The teaching and learning standards focus on how an online program develops or chooses its curricula, how the program's teachers deliver the curriculum to students, and how students' progress in the curriculum is assessed. These standards examine:</p> <ul style="list-style-type: none"> • Curriculum and Course Design • Instruction • Assessment of Student Performance 	0	1	2	3	4
<p>Support Standards: The support standards address the organization's academic, administrative, guidance, and technical services critical to meeting the needs of all participants in the online program. These standards examine:</p> <ul style="list-style-type: none"> • Faculty • Students • Guidance Services • Organizational Support • Parents/guardians 	0	1	2	3	4
<p>Evaluation Standards: The evaluation standards examine the continual program improvement efforts including ensuring the program is meeting its intended purposes and identifying where improvements can be made to the program. These standards examine:</p> <ul style="list-style-type: none"> • Program Evaluation • Program Improvement 	0	1	2	3	4
Total Points Earned					/16
Comments:					

Section G: Preference for Operators with Previous Experience in Ohio (Not Scored)

The Preference for Operators with Previous Experience in Ohio section is not scored and will only be considered if the Department receives more than five qualified applications for internet- or computer-based community schools in Ohio. If there are more qualified applications than the Department can approve, the Department will consider the total years of experience the operator has managing community schools in Ohio.

Internet- and Computer-Based Community School Scoring Sheet

Applicant Submission Date: 01/11/2019

Applicant Name: Ohio Digital Learning School

Sponsor Name: Ohio Council of Community Schools

Sponsor IRN: 016998

Operator Name: K12 Virtual Schools LLC

Operator IRN: 014982

REQUIRED RESPONSES AND DOCUMENTS

(Not Scored)

- Applicant Information
- Sponsor Information
- Operator Information
- Preference for Operators with Previous Experience in Ohio

APPLICATION RESPONSES

Application Component	Points Earned	Points Possible
Section A: Proposed School Information		4
Section B: Sponsor's Experience with Community and Internet- or Computer-Based Community School(s)		20
Section C: Operator's Experience with Community/Public Charter and Internet- or Computer-Based Community School(s)		20
Section D: Sponsor's Schools' Records of Academic Performance		20
Section E: Operator's Affiliated Schools' Records of Academic Performance		20
Section F: Alignment to iNACOL National Standards for Quality Online Programs		16
Section G: Preference for Operators with Previous Experience in Ohio		
Total Points		/100

*The Department will determine annually the minimum threshold of total points earned to be recommended for approval.

RECOMMENDATION:

_____ Approved _____ Rejected

Attachment Information

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Attachment 1

Ohio Digital Learning School New School Application

Ohio Digital Learning School
Statewide Virtual Dropout Prevention and Recovery School

Proposed School Office Location: Toledo Metropolitan Area

New School Application

Submitted by the Glass City Education Corporation
Submitted to the Ohio Council of Community Schools

Original Submission: August 14, 2018
Revised Submission: August 30, 2018

EXECUTIVE SUMMARY

Executive Summary of the Proposed School and Application

The Ohio Digital Learning School (ODLS) will be a new statewide virtual school with a Dropout Prevention and Recovery (DOPR) school designation, serving students between the ages of 16 and 21 who reside in Ohio. The School's proposed management partner is K12 Virtual Schools LLC, a subsidiary of K12 Inc. (NYSE: LRN) ("K12"). K12 has invested significant resources in the past few years to modify and improve its online learning model to support at-risk students. It continues to refine this model as it implements similar programs at schools across the country.

Dropout Prevention and Recovery School Model

ODLS will offer students a fresh educational start through a full-service learning model designed around individualized instruction, high-quality curriculum, student-focused support initiatives, and a commitment to ensuring each and every student reaches his or her true potential in accordance with the state's academic standards as required in ORC 3301.079.

To ensure that students are properly oriented to and prepared for the online learning environment, students and families will complete a week long program ("Strong Start") that will act as a kickoff or orientation week for students including tutorials about the learning management system (Online High School), school policy, and tips to optimize their online learning experience in order to be successful online learners. Strong Start will give teachers and other staff members an opportunity to gain important information about student learning styles and communication skills and to build trusting relationships with students. During Strong Start, which is conducted online, and during subsequent sessions, teachers will evaluate student work; develop progress reports; collect student attendance records; make placement and promotion decisions; encourage and motivate students; help students with remediation or enrichment; develop opportunities for parental involvement; participate in regular professional development sessions led by school administrators; modify lessons to fit students' unique learning needs; and organize activities such as school outings, clubs, and events.

The Social Emotional Learning program (utilizing programs such as 7 Mindsets or AVID) will ensure students are ready to learn by increasing their self-confidence, resilience, and interpersonal skills. During the school year, students will complete weekly Leadership Advisory sessions, facilitated by a specially trained teacher. Through the program, students grow in five key social and emotional areas necessary for thriving in school and life: self-awareness, self-management, social awareness, relationship building, and responsible decision-making.

A Family Academic Support Team will help eliminate the barriers and risk factors that make students vulnerable to falling behind in classes, failing classes or dropping out. With an on-going responsibility to build relationships outside of the School, the team advocates for local and national resources to give students access to necessary community opportunities and social services. The goal is to build within the School an infrastructure of support, before needs arise, for anything that may jeopardize a student's education, such as medical challenges, domestic issues, legal trouble, or even computer and Internet problems. This team will consist of a Family Resource Coordinator (social worker), Family Academic Support Liaisons (advisors with individual caseloads), Family Engagement Coordinator (individual who plans activities and community events – this position will be added after Year 1) and a Compliance Liaison (truancy intervention specialist).

Management Partner

K12 Inc., parent company of proposed management partner K12 Virtual Schools LLC, is a technology-based education company with extensive experience partnering with groups like the Glass City Education Corporation to achieve academic, organizational, and financial success. K12 offers proprietary and third party curriculum, software systems and educational services designed to facilitate individualized learning for students primarily in kindergarten through 12th grade. K12's learning systems combine curriculum, instruction, and related support services to create an individualized learning approach well-suited for virtual and blended charter schools, public schools, school districts, and private schools that utilize varying degrees of online and traditional classroom instruction, and other educational applications.

Their products and services are provided primarily in three ways: Managed Public School Programs such as this one which is proposed to be offered in partnership with Glass City Education Corporation (curriculum and services sold to more than 70 partner public schools in a majority of states throughout the United States and the District of Columbia); Institutional Sales (curriculum, technology, and services provided to school districts, public schools, and other educational institutions that K12 does not manage); and Private Pay Schools and Other Programs (including tuition-based private schools and direct sales of products to consumers). The Institutional Sales and Private Pay Schools and Other Programs serve students in all 50 states and more than 100 countries.

K12 enables their partner schools to offer their students an array of solutions, including full-time virtual programs, semester courses, and supplemental solutions. In addition to curriculum, systems, and programs, K12 provides teacher training, teaching services, and other academic and technology support services.

NARRATIVE

Needs Assessment

A. Need: Provide a needs assessment which identifies the target neighborhood and student population.

The Ohio Digital Learning School (ODLS) will be a new statewide virtual school with a Dropout Prevention and Recovery (DOPR) school designation, serving students between the ages of 16 and 21 who reside in Ohio. The School will deliver high-quality individualized academic and holistic supports to its students between the ages of 16 and 21 who have fallen behind in expected high school credits, have had gaps in completing high school, or need an education alternative due to crises that significantly interfere with academic progress for a variety of reasons. As a DOPR school, the ODLS will provide career path planning, including an Individual Career Plan for each student, and career path curriculum resulting in a high school diploma and preparation for future success in college and life.

This new school is proposed to satisfy a need which is currently being unmet in Ohio. In June 2018, the Ohio Department of Education (ODE) reported there were a total of eighty Dropout Prevention and Recovery Schools in the state, six fewer than in SY2016-2017. Of those eighty schools, only eleven were E-Schools. Of those eleven, only four were statewide E-Schools able to enroll students from all parts of Ohio.

In the most recent ODE Annual Report on Community Schools (2016-2017), 31% of the Dropout Recovery Community Schools received an overall rating of “Does Not Meet Standards” measured by separate ratings on (1) cumulative high school test passage rate; (2) closing gaps in academic achievement in English language arts, math, and graduation; (3) four-, five-, six-, seven- and eight-year graduation rates; and (4) school’s average progress for its students in math and reading.

The need for ODLS is also demonstrated by the number of Ohio families who have directly contacted K12, the parent company of our School’s proposed management partner, to express their interest in virtual education for their children who are credit deficient and/or need an alternative school model to suit their individual circumstances. K12 is seeing a recent, sustained increase in the volume of application activity for students ages 16-21 years old in the state of Ohio. For example, in April of 2018, K12 received 258 enrollment applications, up +25% year-over-year and up +56% from two years ago.

Historically, 35-40% of these Ohio applicants have chosen a school focused on students needing credit recovery and additional education support to graduate. With the recent closure of those types of programs in Ohio, the needs of these applicants (totaling over 7,500 students in the past five years) is now going unmet.

School’s Mission, Vision, and Values

A. Mission: Explain what makes the mission unique for the target community and how will the mission be measured – how will the school know if it is meeting its intended purpose? Include characteristics of students.

The Ohio Digital Learning School (ODLS) will deliver high-quality individualized academic and holistic supports to its students between the ages of 16 and 21 who have fallen behind in expected high school credits, have had gaps in completing high school, or need an education alternative due to crises that significantly interfere with academic progress for a variety of reasons. As a Dropout Prevention and Recovery school, the ODLS will provide career path planning, including an Individual Career Plan for each student, and career path curriculum resulting in a high school diploma and preparation for future success in college and life.

Accomplishing the School’s mission will be measured by student attainment of the fixed and comparable measures from SMART goals in credit acquisition as measured by course passing rates, attendance rates, graduation rates, Individual Career Plan implementation, and individual student academic growth as measured by the Northwest Evaluation Association Measures of Academic Progress (NWEA MAP) assessments.

B. Vision: A school's vision differs from its mission by integrating and discussing expectations, not outcomes.

The Ohio Digital Learning School will engage students to become their own advocates in education through high expectations and goal setting. Individual self-awareness and advocacy skills will result in increased success in college and career attainment.

C. Core Values: Practices which are foundational to how an organization conducts its business; the groundwork for the school's climate, culture and community.

The Ohio Digital Learning School's core values are passion, accountability, and courage.

Every staff member will be *passionate* about the unique population and individual needs of the students we serve. That passion will be instilled in the student culture through daily interactions with school staff both on- and offline and while engaging live daily class sessions with content teachers.

There will be a culture of *accountability*. Staff will be accountable to students and families to provide an excellent education. Students and families will be accountable to engage and actively participate in the education process. Students will be taught to hold themselves accountable to their goals.

It takes *courage* for our students to face the outside circumstances that have impacted their educational path and to continue to pursue their high school diploma despite those obstacles. The staff will provide a holistic approach to enable continued engagement and commitment to educational goals.

Educational Plan and School Culture Outline

A. Curricular Elements: How does the research-based curriculum align with Ohio's Learning Standards and Ohio Department of Education achievement testing.

Curriculum Alignment

K12 will provide ODLS with proprietary and third party curriculum, software systems, and educational services designed to meet the needs of its students and teachers. At the national level, the K12 Standards and Alignment team regularly meet requests from state and local partners for alignment documentation to state and national standards. For each standard at each grade level, alignment specialists identify where in the K12 curriculum the concepts are addressed and note specific units and lessons where students learn or demonstrate an understanding of the skills and knowledge required by Ohio's Learning Standards, including the Common Core State Standards (CCSS).

The K12 curriculum aligns to the CCSS, the Next Generation Science Standards (NGSS), and the iNACOL National Standards for Quality Online Courses. The curriculum development process at K12 includes a matrix that integrates standards from across the country. This standards matrix is complemented by research into the content recommended by the Core Knowledge Foundation, whose work has influenced the CCSS. The result was that K12 created what was, in effect, a prototype Common Core-based curriculum which meant that the alignment of K12 courses required relatively minor changes to align to the CCSS published in 2010. As of November 2012, all CCSS at the national level have been addressed in the K12-brand English language arts and Mathematics courses.

K12 actively monitors each state's review and adoption of the NGSS and understands that Ohio reviews the NGSS document to identify related resources and strategies that schools can use to support Ohio's Learning Standards in Science. K12's legacy science courses embrace elements of NGSS, including deep scaffolding, both from lesson to lesson and year to year; scientific text literacy, and an emphasis on real world applications. K12 is committed to a world-class education for students, and welcomes Ohio's Learning Standards, including the CCSS and the NGSS as measures of its success.

At the School level, school leaders and teachers will review curriculum, assessments, and supplemental materials each year, or upon a change in state standards and/or assessments, to ensure standards alignment and ability to differentiate instruction and assessment. This includes instructional mapping, which is a process for collecting and planning instruction using curriculum related data that identify core skills, processes employed, and priority standards for each subject area and grade level. Modifications will be made throughout the year as determined by the School leaders and teachers as necessary.

ODLS will offer all Ohio core and elective subjects for its students to meet the required 20 credits for graduation, including economics and financial literacy and at least two semesters of fine arts. Additionally, ODLS embraces the provision of pathways for its students. As a school focused on dropout prevention, ODLS will emphasize pathways leading to industry credentials and workforce readiness, while still providing pathways via Ohio's state tests or college and career readiness tests.

Student Mastery of Academic Content Standards/Closing Achievement Gaps

Whether targeting a top-tier, four year university; a local community college; or an immediate career, high school students will be able to choose from an array of appropriately paced course offerings in order to maximize their post-high school success.

By using the K12 high school curriculum, the School will allow students to harness the power of individualized learning by choosing from the following levels of Math, English, Science, and History courses:

- **Core courses:** Topics are broken into discrete modules that are taught in tandem with the framework students need to develop strong study skills. Rich, engaging content with interactive demonstrations and activities help students absorb and retain information.
- **Comprehensive courses:** Students do more extensive writing and research projects, and tackle problems that require more analytical thinking. Course projects and activities also demand more independent thinking and self-discipline than projects in Core courses.
- **Honors courses:** Students are held to a greater degree of accountability in which they must show even greater independence and self-discipline. Students synthesize and evaluate information and concepts from multiple sources and read texts typically assigned in college-level courses. Students also demonstrate college-level writing in essays that require analysis of primary and secondary sources, responsible use of evidence, and comprehensive citation of sources. Honors projects—emphasizing duration over time, group and collaborative work, and communication skills—are inspired by the principles embodied in the 21st Century Skills Initiative.

Remediation and credit recovery courses will be offered to meet the needs of diverse learners. ODLS expects many of its students will be struggling students who are “at-risk” and students who have not successfully completed courses required for graduation:

- **Remediation courses:** These courses bring students up to grade level in math and English—guiding them through the skills and knowledge needed for success. Remediation courses evaluate students' current knowledge and provide the instruction needed for them to successfully continue their studies at a high school level.
- **Credit recovery courses:** These courses include diagnostic unit tests assessing students' understanding of fundamental content and direct them to review or move ahead accordingly. Fresh, engaging content delivered with new approaches helps students grasp concepts they missed the first time. Designed to provide flexibility in delivering teacher support, these courses include computer-graded assignments and assessments with the option to augment teacher-graded assignments and assessments, as appropriate.

Curricular Tools

The design, development, and delivery of K12's curriculum is grounded in a set of guiding principles that promote critical thinking and problem solving skills to prepare students for the demands of the 21st Century. K12 uses "big ideas" in every subject area to organize the explicit learning objectives for each course. K12 content experts have developed a clear understanding of those subjects and concepts that are often difficult for students to grasp. Greater instructional effort is focused on the most important concepts (the biggest ideas) and on the most challenging concepts and skills (as revealed by experience and research). K12 uses existing research, feedback from parents and students, and experienced teacher judgments to determine these priorities and to modify K12's learning systems to guide the allocation of each student's time and effort.

The objectives are crafted from educational research, state and national standards, and deep content expertise. Each course clearly identifies the objectives to be mastered in each lesson, unit, and semester. The lesson objectives are clearly defined in each unit and lesson on the learning platform in the Lesson Resources section.

Several types of multimedia are standard in the K12 curriculum and used strategically to engage different learning intelligences, particularly visual and kinesthetic learners who are often harder to engage through traditional teaching methods:

- Audio: maximize the learner's ability to process information without being overwhelmed by visuals
- Photographs/illustrations: help represent, organize, and interpret the content
- Animations/interactive activities: used to segment content, personalize learning, promote interaction, and show relationships
- Videos: used as concrete modeling of behavioral learning objectives

As an example of interactive activities, many K12 science courses now include interactive virtual labs (vLabs). The vLabs offer highly engaging online experiments that enable students to demonstrate the scientific method, test a hypothesis, witness various outcomes, and examine sources of error. Course vLabs can be used to reinforce concepts learned in the hands-on labs or, when appropriate, supplement or replace certain onsite labs.

K12 courses meet all graduation requirements and the diversity of electives (from Anthropology to World Languages to Web Design and a broad array of CTE and STEM courses) is designed both to help students earn their high school diploma and find their own path to post-high school success.

K12 continues to invest in the high school curriculum to improve accessibility and interoperability with mobile devices. Most K12-produced textbooks, reference guides, literature readers, and lab manuals are now offered in a digital, online format (PDFs, eBooks) and are optimized for use with mobile devices. Plus, K12 has mobile applications for iOS and Android devices that are available to download free on iTunes and Google Play. These apps include "K12 Algebra I Study and Review" and "K12 Periodic Table," which students can use to reinforce course concepts. The catalog of apps is growing quarterly.

How Curricular Elements are Responsive to ODLS Student Needs

ODLS' mission is to provide a dropout recovery and retention program for students between the ages of 16 and 21. Many students will come to ODLS credit deficient, struggling with academics, and with time constraints due to jobs and families. The online nature of the program will help offset some time constraints, and the associated support services team (see G. Outcome Support Teams below) will help our students who struggle academically.

B. Instructional Practices: Detail the school's instructional practices (e.g., project-based learning, direct instruction, classroom- and non-classroom-based learning opportunities) and strategies.

Instructional Program

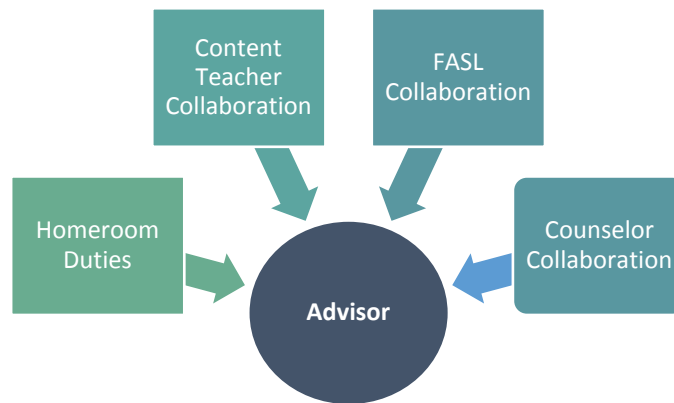
With the full-service school model provided by our partner, K12, ODLS will offer an effective public education that meets the unique needs of its students and families ensuring that every student reaches his or her true potential in accordance with the Ohio Learning Standards. ODLS will distinguish itself from other existing virtual high schools in Ohio because it will focus on at-risk and drop-out students in need of an

alternative choice for their public school education. Knowing that all students do not learn in the same way, the School will provide a new and innovative model that may be a better fit for certain students, many of whom have fallen behind long before high school and most likely have given up on the goal of graduation. ODLS understands that individual students and families should have access to an array of high quality public education options. It will be recognized as a student-centered school, looking at each student as an individual and matching teaching method to individual learning styles and student performance.

As required for a DOPR school by OAC 3301-102-10, ODLS will develop an Individual Career Plan for each student including a Graduation Plan that specifies the student's matriculation to a two-year degree program, acquiring a business and industry credential, or entering an apprenticeship. The Career Plan will be developed soon after enrollment then reviewed and updated as needed once per semester. The Advisor and Guidance Counselor team will provide career counseling and graduation planning and support for the student related to the Individual Career Plan as required by OAC 3301-102-10. They will closely monitor credit deficiencies and acquisitions throughout the student's enrollment to ensure that the goals of the Individual Career Plan are met (see G. Outcome Support Teams below).

Advisor Model

The School will assign each student an Advisor who knows the student, serves as the student and Learning Coach's first point of contact for holistic academic oversight, and helps guide the student through the digital experience.



The Advisor manages the homeroom duties for a group of students and works closely with content teachers to monitor the overall progress of the student. The teacher and Advisor have the benefit of focusing their efforts on one role and administrators are able to tailor professional development, staff meetings, and professional learning communities to the needs of their respective roles.

Critical duties such as welcoming students, providing consistent communication and contact, and overseeing each student's academic progress and engagement are carried out by one person for each student. Students are assigned to advisor groups in a way that best meets the needs of the student (e.g., grade level, multi-grade level with family groupings, looping, cohort, etc.). All teachers assigned to the student will communicate engagement concerns to the Advisor. In addition to providing critical duties, the Advisor is primarily responsible for reporting any engagement concerns to the Family Academic Support Lead (FASL), a member of the Family Academic Support Team (FASTeam) (see G. Outcome Support Teams below) in order to provide the appropriate support services, if required, for each student.

Additionally, each student shall be assigned at least one teacher of record who shall be primarily responsible for the academic development and achievement of the student. This teacher will visit with the student at various regional and statewide events and school-sponsored gatherings throughout the year, pursuant to ORC 3314.21.

Instructional Framework

K12's instructional model combines online technology with traditional instruction and materials. State licensed teachers provide both synchronous instruction (when the student and the teachers are online together) and asynchronous instruction (when the student is working more independently off-line). Teachers support students and work in conjunction with Learning Coaches to ensure student success.

Students will have one subject-specific teacher for each subject studied. The teacher will be responsible for conducting online sessions and discussions, holding office hours, validating student attendance and course activity, curricular mastery, setting and grading assignments, providing instructional feedback, and assigning course grades through the learning management system, the Online High School. This approach will allow the parent to focus on serving as a Learning Coach and guide to her/his student to help them achieve academic excellence.

On a daily basis, parents and students will have access to the Online High School, which provides real time data on student achievement and progress related to course assignments and assessments and engagement data. Students and teachers will have "landing pages" that help them to easily stay on top of what is important for them each day. Students can view their schedules across all courses in one view, including their live Class Connect sessions. Teachers will create and manage the daily plans of students to ensure adequate pacing and progress through course activities.

Role of a Learning Coach

Learning Coaches are usually the student's parent or another responsible adult who is dedicated to making sure their child receives a quality education. A Learning Coach supports the student in the learning process while they are enrolled in the School. They are responsible for ensuring their student is on track with assignments and coursework as well as communicating with their teachers throughout the school year. Learning Coaches play an active role. Learning Coaches are not required to be fluent in English. In those cases where Learning Coach involvement in the learning process is not available to students, ODLS will provide the needed advocacy, progress monitoring, content, and other support from the School's teaching and support staff and community members. The typical time commitment for a Learning Coach varies but is generally 1-2 hours/day for high school students.

The K12 program is set up to help parents succeed in their role through extensive support features, such as lesson guides, tools, videos, and opportunities to talk with other parents of current students. An array of these tools can be found on the K12 website: <https://www.k12.com/discover-more/parent-activities-support.html>.

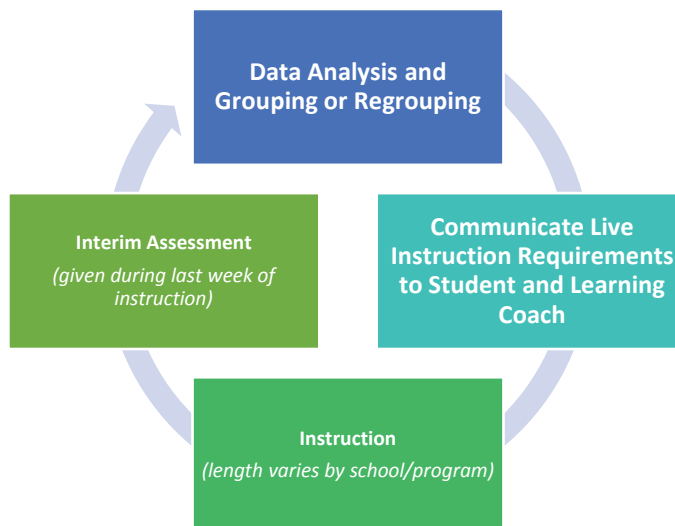
Synchronous Instruction

Synchronous instruction is an essential component of the School's instructional model. Teachers provide direct instruction and support in "Class Connect" sessions using Blackboard Collaborate, a web-based conferencing platform. Students will attend Class Connect sessions by logging on to Blackboard Collaborate, using chat, an interactive whiteboard, Voice-Over IP (VOIP), and other features to further explore and engage in lesson topics synchronously with teachers and fellow students.

The frequency and objective(s) of synchronous instruction are based on the specific needs of students, Ohio Learning Standards, and the School's model. ODLS will establish a synchronous instructional cycle; a predetermined cycle of time for targeted and general instruction determined by student data that allows students to be grouped by instructional need. Prior to each instructional cycle, teachers and academic leaders will collaborate to analyze student performance data in core content areas. Based on this analysis, students are assigned to the appropriate synchronous "Class Connect" sessions, which include targeted instruction for students that do not demonstrate proficiency in grade level standards and objectives. The frequency and duration of required synchronous instructional sessions is dependent on each student's academic needs.

A formative interim assessment will be given during the last week of each instructional cycle. In the week following an instructional cycle, teachers and academic leaders work collaboratively to analyze data and regroup

students for the next instructional cycle. The entire instructional cycle (instruction, assessment, data analysis/student grouping, and student/parent communication of requirements) generally lasts 6-8 weeks with one week between cycles set aside for teachers and academic leaders to evaluate data and regroup students.



As part of a comprehensive instructional model, the School will establish a Response to Intervention (RTI) multi-tier approach to the early identification and support of student learning. The model is used to efficiently differentiate instruction for all students and incorporates increasing rigor in instruction, offering specific, research-based interventions matched to student needs. Throughout the RTI process, student progress is monitored frequently during instruction to examine student achievement and gauge the effectiveness of the instruction. Struggling learners are provided with interventions at increasing levels of intensity to accelerate their rate of learning. Decisions about the intensity and duration of interventions are based on individual student response to instruction and integrated as part of the instructional cycles.

Synchronous instruction will be an essential component of ODLS' instructional model. Teachers will be able to interact and build relationships with students, assess skill level and provide individualized instruction to meet the academic needs of each student. Below is a list of some of the uses of synchronous instruction:

- Standards based synchronous instruction for both large and small groups
- Synchronous instruction using the K12 curriculum lessons
- Remediation for small groups based on assessment data
- Support/Remediation for individual students based on assessment data
- Enrichment for accelerated learners
- General office hours and drop-in tutoring
- Skill assessments
- Test taking skills and practice questions for state testing
- Classroom/Community building activities
- Science experiments
- Student and/or group projects
- Book clubs
- Literature circles
- Writing workshops

Asynchronous Instruction

K12 courses meet a wide variety of student learning preferences and follow well-researched and proven instructional methods. Learning Coaches monitor student performance and progress in courses. Teachers, students, and Learning Coaches collaborate and meet to ensure the success of every student.

Using the K12 Online High School platform, teachers can provide asynchronous instructional and assessment materials directly inside the online course itself. Teachers have a significant level of control over the delivery of and access to online course activities. Teachers can assign release conditions to course content and activities to control when and if a student is provided that content or activity. Release conditions can be customized to be triggered by specific student behaviors and performance in the course which provides a powerful tool for the differentiation of asynchronous instruction. An example of a release condition is the teacher setting up a unit exam that can only be accessed by students in the course who have completed the coursework and/or mastered the content for that unit.

Teachers can also employ audio and video to create a sense of teacher presence in courses and utilize online discussions to develop communities of learning within their courses.

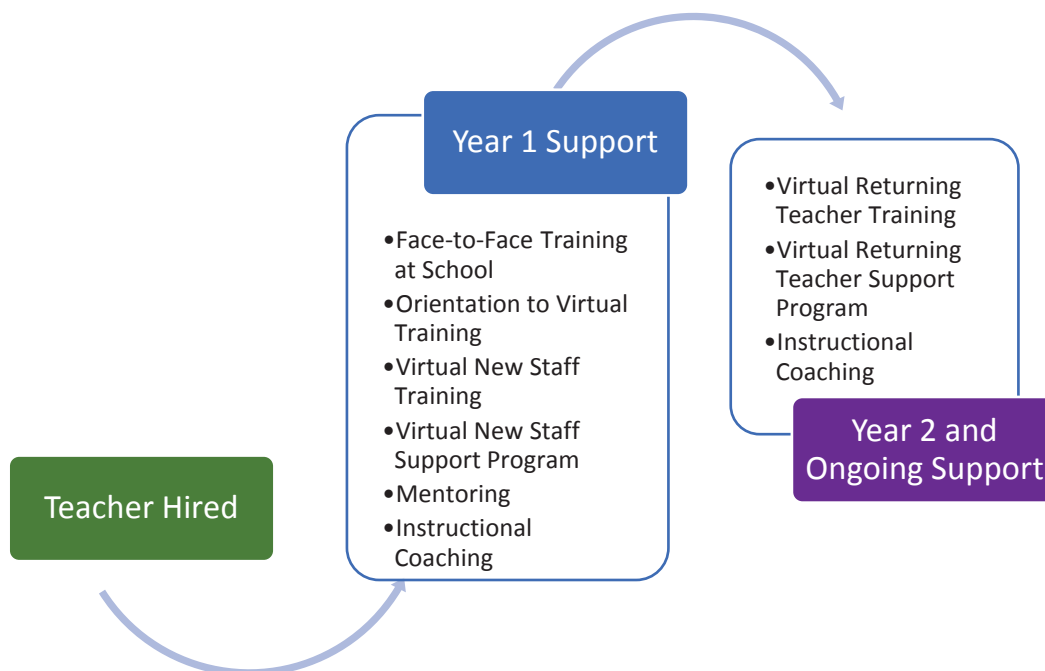
Most of K12's core math and English language arts high school curricula have been updated since 2016 to utilize the new "Summit" curriculum format. The Summit courses are standards-based and provide enhanced features to further support students and teachers. Students are automatically assigned differentiated content based on the results of a Learner Readiness Assessment at the start of each semester. Built-in interim assessments allow teachers to employ data-driven instruction through the use of enhanced Summit assessment reporting based on state standards. The result is a course that makes it easier than ever to differentiate instruction for students while increasing visibility into student readiness for high-stakes state testing.

Teacher Professional Development

In order to monitor and support teachers as they implement the instructional programming, the Board will contract with K12 to provide a robust professional development program as it pertains to virtual learning and associated best practices. The School will provide professional development based on the School's mission, culture, student data analysis, and state required annual professional development for all teachers and other staff. Professional development will be a year-long pursuit focused on providing teachers with the skills and competencies required to meet the needs of students and their families. Each teacher will have an Individual Development Plan that is a combination of required professional development as deemed appropriate by their tenure or as identified by an administrator as an area where development is needed, and other optional offerings particular to their areas of interest.

During a teacher's first year, K12 will provide new teachers with Virtual New Staff Training, Virtual New Staff Support Program, a mentor, and an Instructional Coach (IC) for math and English Language Arts teachers. Returning teachers will receive refresher training through the Virtual Returning Teacher Training, Virtual Returning Teacher Support Program, and one-on-one instructional coaching. Both new and returning teachers will also be provided with monthly professional development opportunities through K12.

K12 Teacher Training and Support Life Cycle



Virtual New Staff Training

New teachers hired at ODLS will be Ohio licensed teachers and generally highly experienced. The K12 provided Virtual New Staff Training introduces teachers to the K12 model, curriculum, systems, communication, instruction, and community through customizable paths, using synchronous and asynchronous learning and is intended to complement school-specific, school-delivered start-up training for new staff.

This training includes an orientation plus modules delivered in a variety of synchronous and asynchronous formats. This time is also used for teachers to work from their home environments, practicing skills they learn during the training and familiarizing themselves with the tools of the learning management systems such as lesson planning and tracking student progress. Throughout start-up and the school year, new teachers are provided a school-based mentor to help them adapt to local school policy and practices. At the end of the Virtual New Staff Training each new teacher is also assigned an IC to offer support as they transition to teaching in the virtual environment.

Teacher In-Year Support Programs (ongoing)

K12 is committed to providing a seamless layer of support for teachers beyond the 30 days of start-up or refresher training provided in Virtual New Staff Training and Virtual Returning Teacher Training. Both the K12 New Teacher Support Program and Virtual Returning Teacher Support Programs were created to provide continuous support to teachers through one-on-one instructional coaching at the school level, as well as extensive assistance through school-level group meetings and staff development built on the foundation established in the new and returning teacher trainings. These programs are comprehensive wrap-around training and support programs for new and returning teachers that include an IC, induction activities, and targeted training.

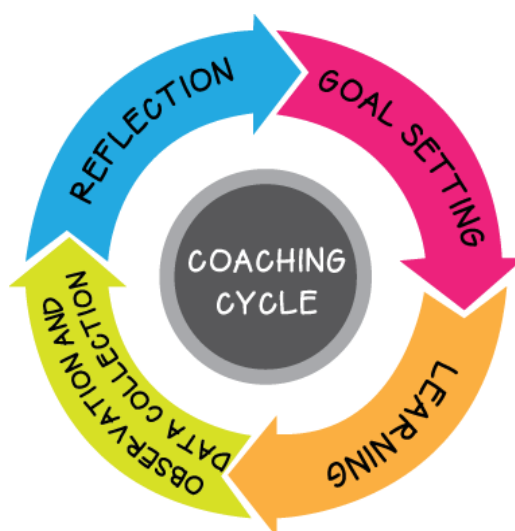
Additional support is provided in the following manner:

- A trained IC works directly with each teacher to observe lessons and to offer feedback prior to formal administrative observations.

- ICs work collaboratively with each new teacher to develop an Individual Development Plan, based on the observation and professional goals identified during the welcome meeting. Collectively, ICs work together to create year-long support plans tailored to meet the specific needs of the School's teachers,
- Support group meetings are conducted for new teachers to foster professional growth particularly of first year teachers through collaboration, dialogue, and reflection on the practice and profession of virtual teaching.

Instructional Coaching

The instructional coaching program model is a research-based design (research examples in footnote).¹ ICs work closely with math and English language arts teachers through observation and support. ICs are focused on teacher actions and student outcomes. Research supports an IC role that is entirely focused on supporting teachers, thus ICs do not carry a student load. The IC is a non-evaluative peer to the teacher who works with the teacher on a regularly set schedule. ICs support, guide, and teach teachers how to be more effective, but they do not discipline, prepare, or have input in formal evaluations of teachers.



ICs will be assigned to math and English language arts teachers based on their expertise in subject areas and grade bands. Each IC will have no more than thirty teachers to work with at any given time. There will be two IC paths: one for teachers new to virtual learning or teachers who need improvement and another path assigned to veteran teachers who have mastered their skills.

School Based Training

Professional development will be a partnership between the School and K12 and provided for all ODLS staff as required by role and/or licensure. In addition to K12 provided professional development opportunities, ODLS will provide a local professional development program that is aligned to the School's comprehensive continuous improvement plan, curriculum map and assessment calendar, providing opportunities to instructional and support staff for growth in data-driven instruction, instructional practices, and instructional leadership. ODLS' school

¹ Hattie, J., & Timperley, H., (2007). The power of feedback. *Review of Educational Research*, 77(1), 81-112. DOI: 10.3102/003465430298487.

Knight, Jim, (2007). *Instructional Coaching: A partnership approach to improving instruction*. Corwin Press

Marzano Research Laboratory (marzanoresearch.com) Marzano, R.J. (2003). *What Works in Schools*. Alexandria, VA: ASCD .

Roberts, S. M., & Pruitt, E. Z. (2009). *Schools as professional learning communities: Collaborative activities and strategies for professional development* (2nd ed.). Thousand Oaks, CA: Corwin Press.

based professional development program will address the needs of experienced as well as new teachers and administrators.

Research Basis for K12 Curriculum

K12 provides a rich, research-based curriculum that has been proven to deliver strong student achievement and growth. The program is designed to meet the needs of ODLS' diverse student population by integrating multiple assessment tools, cognitive learning strategies, and instructional supports. The pedagogical approach incorporates development of a research-based curriculum with built-in cognitive science-based learning strategies and a design that anticipates and assesses for common misconceptions that interfere with student learning and progress. K12 provides a full service product unique in the e-learning space through its award-winning curriculum and instructional supports, training, and professional development for teachers designed to leverage best practices from brick and mortar classrooms that are adapted to the e-learning environment.

A Research-based Pedagogical Basis

Extensive and ongoing research ensures that the K12 curriculum is based on sound principles of instructional design and delivery. The research base includes:

- Cognitive Science Research on How Students Learn
- Research on the Structure of Expert Knowledge: (including mathematicians, scientists, historians, writers, and others) to map the relationships among big ideas, facts, and skills in each subject area
- Research on General Instructional Principles: empirically-tested principles of online instruction using multimedia resources
- Research on Teaching Specific Topics and Addressing Possible Misconceptions: helping students overcome misconceptions related to complex instructional objectives
- iNACOL National Standards for Quality Online Courses, version 2: including online course guidelines for content, instructional design, student assessment, technology, and course evaluation and support
- Proven Strong Student Achievement and Outcomes: performance evaluations based on a variety of assessments administered throughout the school year to inform and evaluate the teaching and learning cycle
- A Curriculum Designed to Meet Diverse Needs: providing unit-level and lesson-level goals and objectives, online and offline activities, and other attributes to meet diverse student needs
- Multiple Assessment Tools and Strategies: assessment tools and strategies linked to learning objectives allowing students to demonstrate what they have learned in a variety of ways

Research on How Students Learn

Research has consistently shown that the most effective instruction is based on what is known about how students learn and how subject area knowledge develops. K12 uses research on learning that encompasses all major categories of research described in recent summaries by the National Research Council and major professional research and practice groups (e.g., the American Psychological Association, the National Reading Panel, the National Math Panel, the American Educational Research Association), as well as hundreds of papers, books, and articles by cognitive science researchers. K12 has longstanding experience in translating the large all-encompassing findings of major research initiatives into the particularities of course structure, individual units and lessons, and the structure, scaffolding, and sequence of individual interactive assets.

The National Research Council (2005) has organized two volumes of research on learning around three fundamental principles which K12 draws on as organizing principles for curriculum development:

- Instruction must engage students' prior knowledge because "new understandings are constructed on a foundation of existing understandings and experiences" (p. 4). This means it is important to assess what prior knowledge students have and either build on that knowledge or remediate as necessary before introducing new content. Further, it has been found that many students have serious misconceptions or partial understandings particularly in science and math that must be addressed during instruction. Consistent with these and other widely-replicated research findings, the K12 curriculum has adapted a variety of strategies for accounting for prior knowledge, including pre-testing and providing instruction on pre-requisites in lessons, taking care to build on knowledge that students mastered in previous grade levels, and teaching for mastery so that each topic learned provides a foundation for future learning (rather than needing to be reviewed repeatedly/multiple times in future grade levels). Misconceptions are addressed through subject-specific methods.
- Both factual knowledge and conceptual understanding are necessary to support the kind of learning that provides a foundation for future learning and competence in novel situations. "Knowledge of facts and knowledge of important organizing ideas are mutually supportive" and both must be taught effectively. To address this challenge, K12 has developed frameworks for organizing curriculum around the "big ideas" in a subject area and for teaching to achieve the integration of conceptual understanding and factual knowledge across the curriculum.
- Metacognition, or self-monitoring of learning and thinking, is a key characteristic of effective learning. Instruction on metacognition is critically important for lower achieving students, who tend to be much less aware of how to overcome obstacles to their own learning than higher achieving students. To improve students' awareness of and ability to evaluate their own learning, K12 incorporates research-tested supports for metacognitive thinking into its courses and has also developed an academic skill course that explicitly teaches metacognitive skills. Some of the metacognitive strategies the K12 team relies on include:
 - Frequent assessments (usually at the end of each lesson, unit, and semester, and sometimes within or at the beginning of lessons) and self-assessments (Thorndike, 1913; Chi, 2009, Ericsson et al., 2003)
 - Modeling of self-monitoring behaviors (Palincsar & Brown, 1984)
 - Comprehension questions before, during, and after instruction (National Reading Panel, 2000; Paris & Stahl, 2005)
 - Prompts to think about whether one understands an explanation or is making progress in solving a problem (Whimbey & Whimbey, 1975)
 - Self-explanations (trying to explain a concept or how to solve a problem improves learning even if the explanation is not graded (Alevan & Koedinger, 2002; Chi, 2009)
 - Strategies for remembering information which younger and lower achieving students need to be taught (Keeney et al., 1967)

Research on General Instructional Principles

For both online and offline instructional activities, K12 draws on empirically-tested general principles of instruction, including multimedia design principles. K12's Assessment and Research and Instructional Design teams have created summaries of these principles, and the Course Development teams are trained on the principles and how to apply them before and during course production.

The respective team's research on general strategies is organized by types of knowledge, since different strategies are required to teach different types of knowledge. Major categories of knowledge include the following: conceptual understanding, memorized facts and skills, problem solving strategies, and metacognition. K12 uses empirically-validated techniques to build student motivation to learn.

Several research-based strategies are implemented to help students overcome misconceptions related to big ideas (e.g., Klahr, 2000; Minstrell & Kraus, 2005; White, 1994; Vosniadou et al., 2001; White & Frederickson, 1998):

- Introduce known examples and bridging analogies.
- Create cognitive conflict (e.g., Students predict what will happen in a situation and then see that the prediction is wrong). Then show students how to resolve this conflict.
- Present analogies and visual models.
- Use computer-based MicroWorlds.

Since many different researchers (e.g., Clark, Mayer, and Sweller) have demonstrated that worked examples are the best way to show students how to solve problems, K12 makes extensive use of worked examples to teach problem solving across grade levels and curricula. The basic components of a worked example are: (1) a problem, (2) an expert solution with each step shown, and (3) an explanation for each step. For more complex problems, K12 applies a research-inspired scaffolding approach: students review examples of expert problem solving, then try to solve partially worked examples, working up gradually to solving whole problems. Following the worked examples, students practice solving problems, moving from accuracy to speed (if necessary) and automaticity (in some cases).

Strategies for improving metacognition are described at the end of the section on “How Students Learn” above. The strategies for building motivation draw on the finding that the real motivation for learners is learning and that the ability to demonstrate improvement in a skill provides motivation (Merrill, 2006). Since learners of all ages are more motivated when they can see the usefulness of what they are learning (Cognition and Technology Group at Vanderbilt, 1998; McCombs, 1996; Pintrich and Schunck, 1996), K12 also reinforces throughout its curricula how important concepts and skills will be necessary both for future learning and in many kinds of activities beyond school.

School Calendar

ODLS will offer a school term that complies with Ohio’s compulsory attendance laws and requirements for minimum attendance hours. A final version of the calendar will be approved by the Board.

ODLS’ model is fluid and flexible. Students will follow a self-paced schedule according to the instructional model of attending five hours of live instruction, five days per week, thirty-six weeks per year, with additional asynchronous sessions that will total more than the required 920 hours of instruction time per year. Students will be required to attend all live sessions as scheduled by the teacher/course. However, there will be some flexibility for students to complete coursework outside of their live sessions that best meets their schedule. Although we will encourage students to learn at their own pace, they will meet all Ohio state requirements for instructional time and attendance days. Parents (or responsible adults) and students will record student daily hours of attendance using the attendance tracking system that will be part of the Online High School, the K12 learning management system. Attendance records will be submitted to teachers on a regular basis. Teachers will also be able to monitor daily student attendance through the Online High School. Teachers will be responsible for submitting attendance records to ODLS administrators in accordance with ODLS rules.

C. Assessment: Describe the school's approach to assessment, including which assessment tools will be administered.

Not all students learn in the same way. The individualized, yet structured nature of our model centers on data driven instruction for every student. Teachers will differentiate instruction based on individual student needs, while they ensure each student masters standards. Assessment data from nationally norm-referenced tests to measure growth as well as readiness, formative, and summative assessments will be the foundation for data driven instruction.

ODLS will administer multiple types of assessments throughout the school year for different purposes. The table below lists the planned assessments, their purpose, and the timeframe in which they will be administered. More information about the assessments and how assessment data will inform instruction and improve academic outcomes follows the table.

Assessment	Purpose	Timeframe
NWEA Measures of Academic Progress (Reading and Mathematics)	NRT, Diagnostic, Student Growth Measure, RTI and cohort placement	Required Fall and Spring
Readiness and Course Assessments	Summit Course readiness assessments to determine strengths and weaknesses in meeting state standards; Lesson Assessments to verify mastery of objectives; Unit Assessments to determine retention of key learning objectives; and Semester Assessments to verify mastery of key course learning objectives	Throughout each course
Formative Interim Assessments	Test mastery of material taught in previous instructional cycle	At the end of each instructional cycle
End of Course Ohio State Tests	Pathway option to demonstrate State requirement to be college/career ready; State Assessments to measure content specific standards proficiency. Results used to measure Value Added	Fall, Spring, Summer
College and Career Readiness Tests (ACT or SAT)	Pathway option to demonstrate State requirement to be college/career ready; Opportunity provided to all students in 11 th grade cohort to earn remediation-free scores on the ACT or SAT	Spring
Alternate Assessment for Students with Significant Cognitive Disabilities (Grade 10 English Language Arts, Math, Science, Social Studies)	Achievement-based one-on-one assessment for students with significant cognitive disabilities	Spring
Ohio English Language Proficiency Assessment	State Assessment to measure English language proficiency in four language domains	Spring
Vocational Assessments	To inform ICP goals and provide students with career counseling	1 month after enrollment date

NWEA MAP Growth Assessments

In the fall or during student onboarding, the norm-referenced NWEA MAP Reading and Mathematics assessments will be administered to all ODLS students as required for Dropout Prevention and Recovery (DOPR) schools. NWEA MAP (Reading and Mathematics) assessments will be administered again in the winter and spring to drive goals and measure growth.

Readiness Assessments

In addition to the NWEA MAP assessments, beginning of the course Summit curriculum readiness assessments will identify strengths and weaknesses in meeting state standards for each student. These assessments offer an initial benchmark for student skill level which allows teachers to differentiate instruction based on student needs. All students will take these readiness assessments. Assessment results will provide data to be used when grouping students for each instructional cycle.

Course Assessments

- *Lesson Assessments* are used to verify mastery of the objectives for that lesson, and to determine whether a review of some or the entire lesson is advisable. When content is presented using platforms that support adaptivity, lesson assessments can also determine the learner path, i.e. the sequence of learning objects that make up a particular student's journey through a lesson.
- *Unit Assessments* show whether the student has retained key learning objectives for the unit and identify specific objectives students may need to review before moving on.
- *Semester Assessments* verify student mastery of key learning objectives for the course.

Teachers will monitor individual student progress by setting goals, grading assignments, giving support and advice, and drawing on their years of experience and training. This approach, combined with integrated assessments and a comprehensive learning system, provides parents and teachers with the support needed to deliver an unparalleled education. Teachers can proactively monitor individual student academic progress through ongoing lesson and unit assessments tracked in "real time" through the learning management system, the Online High School.

K12 curriculum assessments employ a variety of formats, allowing students to demonstrate what they have learned in a number of ways. Some assessment items are presented, answered, and scored by the computer. Others are short or extended constructed responses that are evaluated by the teacher. Item types include multiple choice, matching, technology enhanced items (drag and drop, sequencing, etc.), short answer, and constructed response items. Multiple choice, matching, and short answer items are most frequently used to assess recall of factual information and understanding of concepts, although some have been designed to address higher knowledge levels. Extended response items are generally used to assess strategic application of concepts and skills and metacognitive knowledge. In simple terms, metacognition is being aware of what you know and don't know, understanding what you will need to know for a certain task and having an idea of how to use your current skills to learn what you don't know. This is how teachers want students to approach new learning, with students feeling empowered and not overwhelmed, armed with a toolbox of strategies that help them tackle new learning and easily make connections to what they already know. Because these strategies do not come naturally to a lot of students, they must be explicitly taught, and research shows doing so makes a big difference in student performance.

Formative Interim Assessments

Formative interim assessments will be given for math and English language arts at the end of each instructional cycle in all grades. This data is then collected and will be analyzed to determine participation as well as the best intervention/teaching strategies to employ in the next instructional cycle. Formative interims will be aligned to the state assessment blueprint, state standards, and curriculum. Assessments will test student mastery of material taught in preceding instructional cycle(s). Formative interims will be administered either:

- by using formative assessments embedded in the Summit courses or
- by using teacher created or curated items delivered by approved third party programs.

State Assessments

ODLS students are required to take all state mandated assessments. They will take these assessments at the appropriate grade levels and based on their individual needs. State assessments planned for ODLS students currently include the End of Course Ohio State Tests, College and Career Readiness Tests, Alternate Assessment for Students with Significant Cognitive Disabilities, and Ohio English Language Proficiency Assessment. Information from these assessments provide the administration and teachers an understanding of the strengths and weaknesses of the student population. This data assists with targeting resources, planning and scheduling professional development, and allocating instructional time. This information will also be shared with our sponsor and our parents as a snapshot of performance for the school year in the ODLS Annual Report.

State assessments will be administered to demonstrate the progress that students and the School have made against established educational goals and are used for state and federal accountability purposes. The assessments will be administered on the schedule set by the Ohio Department of Education. Student performance will be shared with each student and his/her parents/guardians. Where possible, the School will ask for access to prior results on all state assessments and other standardized assessments to help develop a baseline for performance measurements.

To earn a high school diploma, ODLS students will complete the required minimum number of credits in specific subjects required by the State and also demonstrate they are ready for college or a career by choosing one of these two pathways:

- End of Course Ohio State Tests (earn at least 18 points combined on math, English, science and social studies State tests)
- College and Career Readiness Tests (earn remediation-free scores in math and English language arts on either the ACT or SAT)

The *Alternate Assessment for Students with Significant Cognitive Disabilities (AASCD)* is aligned to Ohio's Learning Standards–Extended (OLS-E) and designed to allow students with significant cognitive disabilities to demonstrate their knowledge and skills in an appropriately rigorous assessment. The AASCD measures the performance of these students against Ohio's Learning Standards-Extended (OLS-E). The test assists educators, parents, and related service providers in determining the level of academic skill that the students have attained up to the point of assessment. The assessment will provide information that allows educators to build and maintain instruction aligned with academic expectations.

The *Ohio English Language Proficiency Assessment (OELPA)* is an English language proficiency test composed of four tests which measure a student's English skills in each of the four language domains: listening, reading, writing, and speaking. Students who have been identified as English learners will be required to take the OELPA annually. A student who achieves an overall score of "proficient" on the OELPA will be reclassified as a former English learner. While the student will no longer be eligible for accommodations specific to English learners, ODLS will monitor the progress of former English learners for two years following reclassification; assure that reclassified students will have needed supports to participate in the district's education program; and will be re-tested as needed.

Student Participation in State Assessments

Student participation in State required assessments will be assured through a variety of mechanisms. As part of the enrollment process, the School will make clear to parents and students that state required assessment participation is required as part of enrollment in the School. Parents will also be asked to sign an enrollment acceptance form acknowledging that enrollment includes participation in State testing. Second, a testing schedule, including State required assessments, will be made available to parents and students as part of the School calendar, which will be available on the School's website as well as in the Parent/Student Handbook. The Handbook will also include a section on State standardized assessments and student participation in them. Finally, prior to the scheduled State required assessment dates, teachers will be in contact with parents and students about upcoming assessments, their required participation, and information on where students will take the assessments.

School teachers and administrators will administer and proctor State required assessments at facilities with classroom style settings (local libraries, local schools, public meeting rooms, and other such locations with proper accommodations for special needs students when appropriate) within reasonable driving distance of students' homes, maximizing student accessibility to test sites. For online tests, the School will secure the use of computer labs at sites such as community colleges or will bring mobile computer labs with Wi-Fi hotspots to regional testing location(s). These mobile labs will consist of laptops designated for testing purposes set up and secured to meet testing security guidelines. The site locations will depend on the number of students who are subject to testing and where they live. Parents will be responsible for getting students to and from testing sites. Students will not be permitted to take the state required tests in their homes. If transportation to and from test

sites is an issue for students, the Head of School will work with families to ensure that transportation is not a barrier to equal access for all students. Arrangements for transporting students with special needs will be made on an as-needed basis pursuant to the students' Individualized Education Plans (IEPs). Transportation for special education students will be provided in accordance with all applicable state and federal laws.

The School will follow the guidelines established by the Ohio Department of Education for proper test administration and security. Testing site coordinators, proctors, and other staff involved in test administration will receive training in proper test handling procedures so that testing security is not compromised. The School will ensure that all appropriate staff have knowledge of ethical testing practices and procedures and understand how to secure, administer, and handle the state required tests while in their possession.

Vocational Assessments

Regular career and academic guidance in a homeroom model will be the focus of the final plan developed to meet ORC 3313.6020. As a foundation for the creation of the Individualized Career Plan, students, within their first 30 days of enrollment, will take a career interest inventory through Graduation Alliance's *Voyager*. Based on the students' interests, they will receive guidance on potential career choices which will help them build a plan of study while enrolled at ODLS.

During the senior year at ODLS, students will be required to take a course called "Achieving Your Career and College Goals" (see course description below). This course will help the students further explore their plans after graduation along with providing the skills necessary for post-secondary success.

Achieving Your Career and College Goals Course Description:

Students explore their options for life after high school and implement plans to achieve their goals. They identify their aptitudes, skills, and preferences, and explore a wide range of potential careers. They investigate the training and education required for the career of their choice and create a plan to be sure that their work in high school is preparing them for the next step. They also receive practical experience in essential skills such as searching and applying for college, securing financial aid, writing a resume and cover letter, and interviewing for a job.

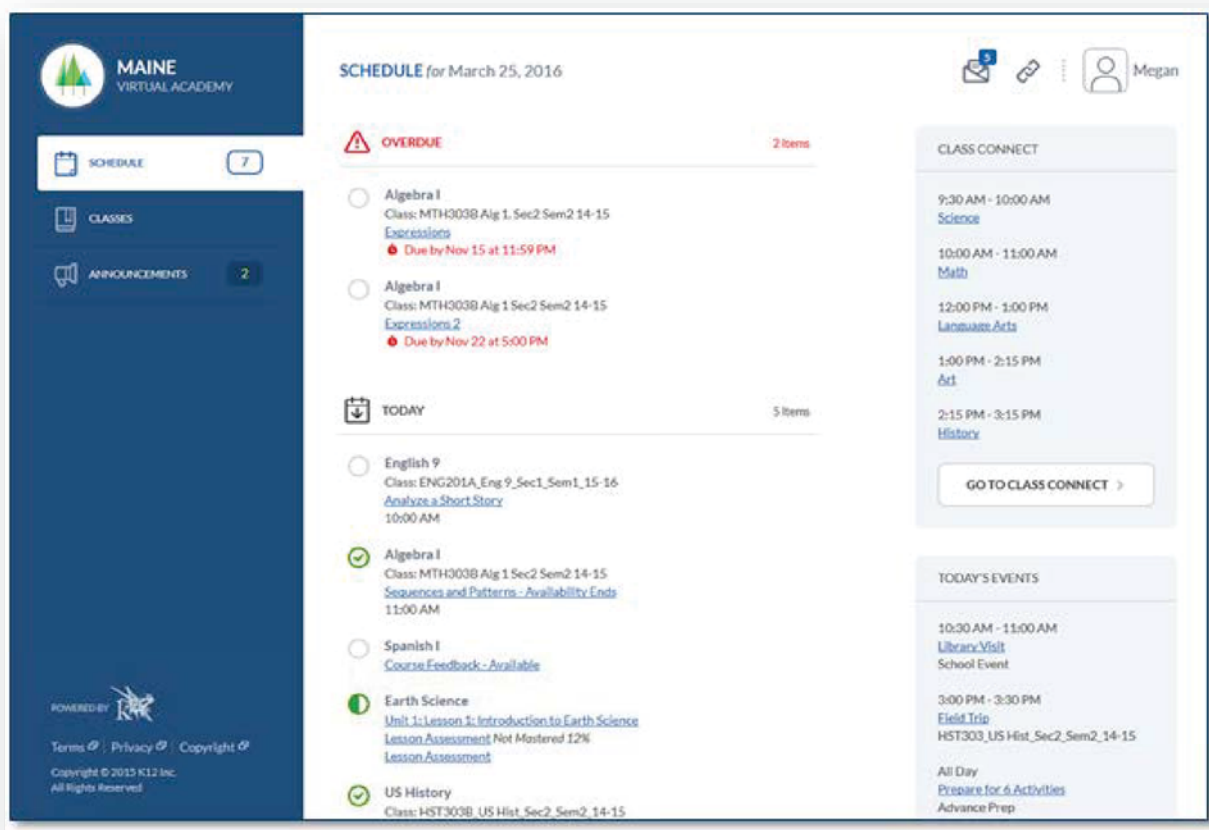
Using Assessment Data to Inform Instruction and Improve Academic Outcomes

Diagnostic and formative assessments are critical to improving student achievement. Instructional personnel will use assessments to monitor the progress of their students. Teachers will use the data and information gathered from these assessments to alter instruction on a regular basis and provide intensive interventions where deficiencies have been identified. Prior year state assessment results will be gathered during the enrollment process so teachers and school leaders are able to identify students who did not score at proficient or above. Board-approved goals will be based on data from all available sources which is reviewed throughout the course of the school year in order to ensure progress. Passing rates, diagnostic results, and state assessment results will be regularly shared during Board meetings.

Data from diagnostic testing will be reviewed at the subject, classroom, and student level by administrators and teachers in order to review the success of intervention strategies with struggling students. The results will be shared, tracked and goals will be created. The NWEA MAP score reports and quarterly progress and engagement reports will be sent to all students and families. Students will be placed in grade levels based on graduation cohort year which is the spring of the first year of freshmen classes as determined by a transcript review upon enrollment. Final determination of credit acquisition will be made by a Highly Qualified Teacher specific to the content and subject area of the high school course. The graduation plan, aligned with the Individual Career Plan, will be provided to students in grades 9-12 each semester. All documents will be available to all appropriate staff members through a protected shared folder.

The K12 learning management system, called the Online High School, provides teachers, students, parents and Learning Coaches with an array of tools to track progress.

Student View: Example of a Student Landing Page on the Online High School Learning Management Platform



In the Online High School, teachers and students will be kept aware of areas needing attention, such as discussion posts and items submitted to – or scored and returned from – teachers. With a single link, students can take part in course activities and teachers can manage and score student work submissions and posts.

Courses are organized by units and lessons. Lesson content is explicitly designed for online instruction, and progress through course content is tracked automatically and monitored by teachers. The Online High School platform provides both computer- and teacher-scored assessment tools including:

- Traditional and technology-supported question types
- A dropbox tool for student work submission and teacher feedback
- Asynchronous online discussion capabilities
- An online rubric tool for efficient and consistent scoring and feedback of student work

Teachers will also have a high degree of control over the content and assessments in a course. Teachers can:

- Add original content and assessments to courses
- Search for and add educational resources from the K12 Learning Object Repository (LOR), a database of open educational resources available to teachers using the K12 curriculum
- Search for and add K12 content and activities from the Peak Library
- Share their original content and assessments with teachers across the K12 network via the Teacher Shared LOR
- Set start and end dates to control student access to content
- Use release conditions to provide differentiated instruction to students based on course performance

D. Special Student Populations: Describe the implementation of the school's programs and services for special student populations, including: 1) students with disabilities; 2) students who are English Language Learners; 3) students who are at-risk of academic failure; and, 4) students who are academically advanced or gifted.

ODLS welcomes the opportunity to serve students with disabilities. The founders believe strongly that all students have strengths and weaknesses that must be recognized and accommodated in order to reach their full potential as contributing members of society.

ODLS will work to accommodate students with all disabilities who are using the K12 web-based courses in a distance learning setting. ODLS will offer necessary accommodations by procuring the technology and other services required in the student's Individualized Education Program (IEP) to aid students in navigating through their courses. Further, K12's experience making web-based content more accessible to students with disabilities includes incorporating audio and video enhancements into the courses and using equivalent alternatives to accommodate various disabilities, such as using text equivalents and various forms of assistive technology. All materials meet the requirements of the National Instructional Materials Accessibility Standards (NIMAS).

Child Find

The School enrollment application, a conference call with a K12 placement counselor, and conference calls with an ODLS general education teacher will all provide a query for the parent to indicate a special education or gifted education student. In addition, a careful review of previous school records, after enrollment approval, by ODLS' Special Programs Manager will be undertaken upon receipt of such records to identify any students enrolling who have previously been identified as a student with a disability or exceptionality. ODLS' general education teachers will be provided professional development prior to and during the school year about their child find responsibilities, including possible indicators of special education and exceptional needs related to achievement and behaviors. Posting and public notification concerning the process for screening and the availability of special services and programs of instruction for students with disabilities and exceptionalities will be on the School website and will be sent via electronic and/or U.S. Postal Service mail to all enrolled families.

Evaluation

When screening (Child Find) indicates that a student may be eligible for special education services, ODLS will seek parental consent to conduct an evaluation. "Evaluation" means procedures used in the determination of whether a student has a disability and the nature and extent of the special education/related services that the student requires. The evaluation will be completed by a multidisciplinary team which includes the general education teacher, other qualified professionals who work with the student, and the legal guardians/parents. The report generated from the evaluation will make a recommendation about a student's eligibility for special education services that must be agreed upon by the appropriate team members. ODLS uses a three tiered Response to Intervention (RTI) and all students will be served appropriately based on their placement within these tiers.

Parents may request an evaluation if they suspect their child has a disability. Requests for an evaluation should be made in writing to the Special Programs Manager. Parents have the right to request an independent educational evaluation. When requested by parents, ODLS will provide them with information about where an independent evaluation may be obtained.

K12 Special Programs Enrollment Team

The K12 special programs enrollment team will work with School leaders to create an effective enrollment plan for students with special needs and/or families who have concerns about their child's possible needs for special education services. The main goal of the special programs enrollment team is to connect with families early in the enrollment process to ensure their questions, concerns, and needs are being met early so students can transition into their classrooms, ready and prepared to reach their maximum learning potential.

The enrollment planning process begins with an initial meeting with the School's Special Programs Manager and school leaders. Team members will discuss the guidelines for enrolling students with special needs, as pertaining to the state requirements, the Child Find query process, required enrollment documents, and necessary early enrollment talking points for families. Based on this initial meeting, school leaders will provide a statement of usage identifying the steps to enrollment and the parties responsible for each task. The finalized process will assist the families so they are ready and prepared for learning according to their IEPs.

School enrollment plans will be finalized annually at the beginning of each enrollment year to determine best practices for the upcoming school year. Adjustments will be made annually as needed to better meet the needs of families and school personnel.

Special Education Services and Support

All identified students with a disability will have an IEP meeting upon enrollment with the appropriate team members in attendance. The notices/invitations will be issued addressing the virtual nature of the school setting. The IEP will include a statement of the student's current level of academic and functional performance and how the student's disability affects his/her ability to progress through the general education curriculum; a statement of measurable goals; and a statement of educational services, program modification(s), and support necessary for the student to be involved in the general education coursework, including assistive technology. The means for learning and demonstrating proficiency will be aligned to Ohio's Learning Standards. Assessment accommodations or alternative instruction procedures will be based on the objectives in the student's IEP.

If a student has a behavioral need, the School's staff will implement a Functional Behavioral Assessment and a Behavioral Intervention Plan. The IEP team will consider, when appropriate, strategies including positive behavioral interventions and support to address that behavior through the IEP process.

Students with special needs will be supported by their general education teacher in the least restrictive environment, in addition to receiving the supportive services of a special education teacher. The student's IEP will determine the type and amount of services necessary to meet the goals of the IEP. Related service providers, if required, will be located within the geographical vicinity of the student. These related services may be provided through contracts with a private agency/provider.

ODLS believes that the IEP is a working document that is to be amended to reflect the student's current academic and functional performance. The IEP will be reviewed at a minimum of once per year and upon evaluation/re-evaluation.

Students with disabilities will participate in the general education program to the greatest extent possible offered by ODLS and as determined by the IEP team. The School's special education teachers will support students with disabilities and provide specially designed instruction through synchronous and asynchronous contact which may include phone conferencing, email, and direct "real-time" interaction through web-conferencing tools. With web conferencing, the special education teacher/general education teacher can provide real time support to the student and assessment of progress towards IEP goals. In addition, parent education can be effectively delivered using web conferencing.

Students with disabilities will fully participate in all general education classroom activities with their classmates including outings and field trips. If necessary, transportation will be provided to accommodate the special needs of the student as determined by the IEP team. ODLS will ensure that each student with a disability is placed in the least restrictive environment. Due to the ability of the student to access the general education web-based curriculum at any time, the student receiving special education services or programs within the general education classroom will not miss any general education instruction. Possible exceptions to this would be related services at a contractor's office or students who may be better served through a functional or life skills curriculum outside of the general education classroom.

Oversight and compliance monitoring in a distance learning setting is assured through many means including detailed monitoring of student progress and achievement both in the general education curriculum and on IEP goals through work sample collection, synchronous instruction and assessment, and assessment data collected through the online school by a highly qualified general education teacher as well as file review and monitoring of timelines by the School’s Special Programs Manager.

Based on K12’s experience serving special needs students in statewide programs across the United States, ODLS projects that the School will provide special education services across all disability categories including: autism, emotional disturbance, traumatic brain injury, deafness/hearing impaired, specific learning disability, intellectual disabilities, other health impaired, physical disability, speech/language, and blind/visual impairment.

ODLS believes that it takes a complete team of individuals to serve the student with a disability to ensure academic success. As such, frequent and relevant synchronous and asynchronous communication between all parties is delivered through phone conferencing, notes, emails, and web conferencing tools.

Accommodations

In addition to the team approach to serving students with disabilities, there may be necessary accommodations that will ensure that students have access to grade level curriculum. The following table provides examples of those accommodations which are instructional and assessment enhancements.

Instructional Enhancements	Assessment Enhancements
<ul style="list-style-type: none"> • Use interactive groupings of students in structured and purposeful settings. • Draw on student background and knowledge. • Teach skills explicitly as appropriate and ensure opportunities for students to apply and practice skills in a meaningful context. • Use graphic organizers to model organization skills and to engage students in the process. • Use online manipulatives and connect learning experiences to real life. • Use community experts as resources and as models. • Minimize interruptions and distractions during time-on-task. • Check often for understanding among students. • Teach students organizational and study skills. • Ensure access to resources in the languages, reading levels, and interests of the students. 	<ul style="list-style-type: none"> • Use multiple forms of assessment such as performance-based assessments. • Create appropriate test settings; use magnification of print or sound; use color-coding to focus attention where appropriate; allow for frequent breaks; use calculators and dictionaries; and minimize distractions and interruptions. • Integrate technology into a variety of assessment settings. • Remind students to use self-monitoring strategies and clarify directions. • Ensure that language and academic skills are assessed appropriately. • Take dictation for students; allow for tape and/or video recordings. • Use multiple measures of assessment to access language and academic skills of second language learners. • Include samples of second language learners' work as anchors when developing rubrics and other scoring devices.

Related Services

Special services required in a student's IEP (as listed below) will either be provided by a licensed therapist or individual employed by or contracted by the School, ensuring that appropriate licensure and background checks are completed. Therapy may be delivered in home, virtually or face-to-face, or the parent may provide transportation to a contracted therapy agency within a reasonable distance of their home.

- Mobility training
- Adaptive therapy
- Assistive technology evaluations
- Counseling services
- Psychological services
- Speech and language services
- Occupational therapy
- Physical therapy
- Transportation (when required)
- Interpreter services for the deaf or hard of hearing

K12 Related Services Team

The K12 Related Services Team will provide support to the School upon request by locating therapists, tracking service delivery, provider contract management, therapist credential tracking, invoice verification and development of effective processes surrounding the provision of related services to eligible students. The main goal of the K12 Related Services Team is to ensure that students are receiving their therapy services as assigned and that the School is compliant in the provision of these services.

K12 also offers the Related Service Manager (RSM), a K12 proprietary online database that tracks all aspects of related service delivery. This system allows for the tracking of service delivery, therapist credentials, contracts, invoicing, and much more. Reports are available from this system that allow the School to see how many students receive services, what types of service, how many sessions were delivered, how many sessions are still owed, the total cost of each service by student and vendor, and timeframe of service delivery. Logins are controlled and allow access to assigned students at the School, teacher, provider, and therapist levels.

English Learners

ODLS will first identify English Learner (EL) students, students whose primary language is not English, during the enrollment and Child Find process. All families will answer a series of online questions as a first effort of Child Find including the Home Language Survey (HLS) questions. The HLS is the first and primary effort to collect required native/primary language information about the student and/or family. Children and families with limited English proficiency will be provided translation and interpretation services to the extent needed to help the family understand the enrollment process and enroll the student in school in compliance with the Civil Rights Act of 1964, Title VI, 42 U.S.C. § 2000d et seq. and the Equal Education Opportunity Act, 20 U.S.C. § 1703.

A placement counselor will verbally ask the parent/legal guardian these same questions again. Finally, after approved enrollment, the general education teacher will ask the student or parent/guardian these same questions a third time. All parties asking these questions will be provided professional development on EL indicators and their obligation in routing positive responses to the appropriate ESL point of contact. Additionally, school records will be requested from any student that was previously enrolled in a school within the United States and will be reviewed for EL indicators. Those students with positive responses to any of the HLS questions will be referred to the ESL point of contact. The ESL contact will talk with the family to determine if ESL services were previously received, identify current language needs of the student, and review prior school records, including any previous ESL evaluations, program plans, etc. that could help the School determine next steps. If deemed appropriate based on positive responses to the HLS questions, steps will be taken to screen and then assess the student to determine eligibility status and develop an appropriate English Learning Plan.

Once students are identified as English Learners (EL), ODLS will increase English proficiency of EL students by providing high-quality language instructional programs that are based on scientifically-based research. The School will employ an appropriately licensed ESL or bilingual teacher, as defined by state regulations, for the EL identified students. The ESL teacher can provide support to the students within the distance learning school by: relating background information and experiences to the students to better grasp a concept; scaffolding instruction to aid the students in comprehension; adjusting speech or content; and providing project-based learning experiences, necessary visuals, and in-classroom modeling of best instructional practices for the general education teachers. The Ohio English Language Proficiency Assessment (OELPA), an annual language proficiency assessment, will be administered to all active EL students to monitor individual student language growth and overall program effectiveness (see Section C. Assessment above). Exit criteria for EL students will be consistent with state and federal requirements.

Professional development will be provided to all staff on the following: knowledge and use of effective pedagogy in instructing English Learners, methods for implementing instructional strategies (such as Sheltered Instruction Observation Protocol (SIOP)) that ensure that academic instruction in English is meaningful and comprehensible, and Universal Design for Learning (UDL).

Universal Design for Learning

Universal Design for Learning (UDL) is a set of principles for curriculum development using instructional goals, methods, materials, and assessments that are flexible and work for everyone.

The principles of UDL have been integrated into the Every Student Succeeds Act (ESSA) and into the design and implementation practices in a number of ways at K12:

- Planning and design of curriculum, instruction, and assessment are promoted in a proactive manner, considering flexibility in presentation, response, and motivation for students in the front end of product development.
- Throughout their educational materials and services, K12's professional development and training, implementation, and evaluation are responsive to students' tiered needs of supports.

UDL principles are also compatible with and facilitate the accessibility compliance of K12 materials and services. K12 design practices take into account students' needs, preferences, and abilities to interact with K12 curriculum. These design practices have positively influenced efforts to meet web content accessibility guidelines and also support individual needs for accommodations and the use of assistive technologies.

UDL has influenced the planning, development, authoring, editing, and production of new course development and efforts to improve the access flexibility of existing curriculum assets within K12 products and services. Considerable training and professional development and other resources have been deployed to maximize this type of proactive development strategy and make on-going school services support more effective. Please see the section titled *Educational Plan and School Culture Outline*, Part A, for information about K12 curriculum.

Differentiated Learning

ODLS will provide differentiated learning support through assistive technology tools and a tiered system of instruction based on UDL principles.

Assistive Technology

Due to the unique online nature of the K12 curriculum, assistive technology tools can be accessed by all students based on their individual needs. With the support of the K12 Assistive Technology Resource Guide, all staff members will have tools and strategies at their disposal upon identification of student need. A sampling of differentiation support tools includes but is not limited to, text to speech software, speech to text software, lowering readability of grade level text while maintaining grade level standards, translation tools, highlighting tools, zoom text, visual dictionary, word prediction software, and visual graphs and web support.

Through the use of the K12 curriculum, ODLS will have access to a unique approach to educating all students by having the flexibility to provide large group instruction, small group instruction, pre-teaching and re-teaching concepts based on student data, one-on-one tutoring sessions, and through targeted interventions and supports. Every student will be supported by an Individualized Career Plan that is dependent on individual student needs and validated by student data.

Within the Online High School, lessons are created with multiple learning styles in mind. Content is rich with visual, auditory, and other student learning supports and the curriculum is able to customize student experiences by using adaptive learning pathways based on student diagnostic assessment data. All lessons provide opportunities for students to engage in remediation or accelerated activities, based on the student's performance data.

RTI/MTSS

ODLS will implement a Response to Intervention/Multi-Tier System of Supports (RTI/MTSS), a multi-tiered research-based approach for early identification and support of students' learning and behavioral needs that is aligned with the School's comprehensive continuous improvement plan. Through the implementation of a tiered system of instruction, teachers implement teaching strategies based on UDL principles and work proactively to design lessons to meet all learner needs through differentiated strategies. Through the implementation of a Universal Screener Tool, students' academic strengths and weaknesses are identified before the beginning of the school year or after enrollment approval.

RTI/MTSS Pyramid of Support

Using a multi-tiered approach to efficiently differentiate instruction for all students, ODLS will create systems and procedures for continual data analysis, regular data conferences, and ongoing teacher training. Struggling learners at Tiers I, II and III will be provided with interventions at increasing levels of intensity to accelerate their rate of learning. Advanced learners will be provided opportunities for enrichment. Data analysis will be used to inform and evaluate each student and their unique learning needs regardless of tiered level. Through the implementation of regular data conferences, students will be identified proactively as at-risk, on track or advanced students. Students identified as at-risk or advanced will have measurable action steps developed in response to the data analysis; action steps will include SMART goals, instructional strategies, and a system for follow-up to monitor progress on each of the identified individual students. Decisions about the intensity and duration of interventions will be based on individual student response to instruction. These services will be provided by a variety of personnel, including general education teachers, special educators, and specialists.

ODLS will have a defined tiered system procedures manual that will be aligned to state requirements. In addition to weekly data team meetings, tiered team members will conduct a "deeper data dive" on those students identified in Tier II or Tier III support. Depending on the type of identified need, academic and/or behavioral, needs can be addressed through intervention support and data collection to validate each student's response to instruction. Tiered teams are composed of a diverse background of stakeholders, often including a grade level administrator, math teacher, English teacher, and other content area staff.

Students identified as the most at-risk or students that need additional enrichment are ranked using universal screener data, state assessment data, and teacher recommendation. Tier II supports are created based on individual student needs, with a focus on small group, differentiated sessions aligned to address each identified student need. Interim assessments are utilized to continuously drive instruction and to adjust interventions based on student data and response to instruction. Students that need more intensive supports are supported in Tier III. Tier III students receive individualized targeted instruction in one-on-one or small group settings.

The K12 online curriculum makes "live" and continuous student data review seamless. Since student progress towards each lesson is recorded and tracked instantly within the online dashboard, teachers and tiered teams are able to analyze and pinpoint specific academic needs of each student. K12 courses provide students with diagnostic assessments four times a year that allow schools to track student growth in each subject and to

proactively target specific areas of need. In addition to diagnostic assessments, courses have built in formative assessments throughout each course for continual progress monitoring and student data to drive instruction.

504 Accommodations

Using the Child Find strategy previously described, ODLS will first identify students with an active 504 referral, or those students in need of a new 504 referral as part of the enrollment process. When the decision is made to initiate a Section 504 referral, the parent(s) (or guardian(s), if applicable) will be notified. A Section 504 Referral Form will be completed by the student's teacher(s) with input from others who work with the student, including the parent. Once a referral is made, the evaluation for determining Section 504 eligibility is based on the type of suspected disability, the impact of the disability in the educational environment, and the type of services or accommodations that may be needed. There are no specific evaluation requirements for Section 504; however, the evaluation must be sufficient to accurately and completely assess the nature and extent of the disability and the impact of the disability on a specific major life activity. This includes ensuring that the evaluation methods and materials are (a) in the native language of the student; (b) nondiscriminatory; and (c) empirically appropriate to test for the suspected disabilities.

If the committee determines that a student is disabled, the committee will determine what services or accommodations are required to enable the student to receive an appropriate education and to provide the student an equal opportunity.

Special Programs Audits

Ensuring that the School is in compliance with federal and state special education regulations (including those related to the ESSA) is a key support that K12 will provide to ODLS. Each year an audit of special education files and operational procedures by the K12 regional special programs manager will take place to identify any areas that may need to be addressed to ensure ongoing compliancy. The results of the audit will be shared with the School and any potential compliancy concerns will be addressed through training and follow up by the regional special programs manager. In addition, the School will be provided support in development of a local special education procedure manual that outlines school requirements for compliancy aligned with state and local requirements.

K12 will support ODLS by building sustainable systems and procedures. Annually, all English Learner manuals and Multi-Tiered Systems of Support procedural manuals will be reviewed using a critical component check sheet. Each manual check sheet is aligned to the Office of Civil Rights, Department of Education (including ESSA), Department of Justice, and/or research based evidence (as appropriate). The goal of each manual review is to identify program strength and weaknesses, and identify targeted supports, training, and resources needed to create stronger and compliant programs.

As determined appropriate and necessary, desk audits of English Learner programs and federal Title programs aligned to the ESSA requirements will occur. The intent of a desk audit is to ensure schools have and implement compliant and educationally sound programs. Much like the critical component check sheet, the intention of the desk audit is to identify program strengths and weaknesses, and identify targeted supports, training, and resources needed to create stronger and compliant programs. All desk audit rubrics are aligned to the Office of Civil Rights, Department of Education, Department of Justice, individual state departments of education, and/or research based evidence (as appropriate).

Special Programs Reporting Compliancy

State reporting and review of funding submissions are critical to special programs; submissions must be timely and accurate. Based on the level of support outlined in the Educational Products and Services Agreement (EPSA) (see draft agreement **Attachment 1**), at least twice a year, the School's leadership team will meet with the K12 Internal Review team to evaluate funding submission due dates as well as internal documentation of requirements. State requirements for special programs will be heavily researched to ensure guidelines are understood for successful submissions in order to yield appropriate funding for students enrolled at the School who meet the submission requirements. The K12 Internal Review team will aim to review identified special program

submissions prior to submission to the authority to verify special programs status, participation, and compliance, as well as student demographics, are reflected accurately. As reviews are completed, findings will be shared with the Head of School, Special Programs Manager, regional operations manager, school Operations Manager, regional compliance director, and regional finance manager, as necessary, to ensure that inaccuracies are rectified prior to submission to the authority. Compliance reporting changes will be made as needed should processes need refinement.

Additionally, the K12 Public Schools Data Analytics team will work with School leadership to produce management reviews of key special program data points to help monitor and ensure compliance. The related service metric sent to ODLS on a regular basis will provide a view of the number of students receiving special program services as well as the timeline for those services to be set up and provided.

E. School Culture and Climate: Describe the strategies the school employs to develop and sustain a safe and orderly school climate that supports the achievement of the proposed outcomes. Explain the school's approach to student behavior management and discipline, family involvement and communication, and extra-curricular activities.

Strategies for a safe and orderly school climate

ODLS will expect positive behavior from all students, teachers, staff, and parents/Learning Coaches. The School environment will be one that ensures the care, safety, and welfare of all students and staff members. Promoting positive interactions and preventing potential conflict will be a priority. ODLS will follow a Positive Behavior Interventions and Support (PBIS) policy and will foster a culture of accountability, respect, and engagement.

Efforts to promote positive interactions and solutions to potential conflict will be exhaustive. As an online school, students receive their education through the use of a computer and are typically in their own homes. The School does not have a brick and mortar building where students attend. The only times students are together are during state-required testing administration and other sanctioned events, such as picnics, field trips and other educational events. In the event that a student's behavior presents a threat of imminent harm to self or others, the student's family, if present, would be the first line of contact in order to determine how best to calm the child down. If the student began to threaten to hurt self or others, the police would be notified.

The School's administrative office will have an emergency plan in place for staff and parents and students who may be visiting the office. The emergency plan will be annually reviewed according to the schedule set by the State.

As an online school, Internet safety will be a primary concern for our students. ODLS will (a) prevent user access over its computer network to, or transmission of, inappropriate material via Internet, electronic mail, or other forms of direct electronic communications; (b) prevent unauthorized access and other unlawful online activity; (c) prevent unauthorized online disclosure, use, or dissemination of personal identification information of minors; and (d) comply with the Children's Internet Protection Act [Pub. L. No. 106-554 and 47 USC 254(h)].

To the extent practical, technology protection measures (or "Internet filters") shall be used to block or filter Internet, other forms of electronic communications, and access to inappropriate information. All student computers provided by K12 will be equipped with web filtering software such as McAfee SiteAdvisor that prohibits students from going to unsafe sites. Specifically, as required by the Children's Internet Protection Act, blocking shall be applied to visual depictions of material deemed obscene or child pornography, or to any material deemed harmful to minors. Subject to staff supervision, technology protection measures may be disabled for adults or, in the case of minors, minimized only for bona fide research or other lawful purposes. To the extent practical, steps shall be taken to promote the safety and security of users of the ODLS online computer network when using electronic mail, chat rooms, instant messaging, and other forms of direct electronic communications. Specifically, as required by the Children's Internet Protection Act, prevention of inappropriate network usage includes: (a) unauthorized access, including so-called 'hacking,' and other unlawful activities; and (b) unauthorized disclosure, use, and dissemination of personal identification information regarding minors.

Education, supervision and monitoring shall be the responsibility of all members of the ODLS staff to educate, supervise and monitor appropriate usage of the online computer network and access to the Internet in accordance

with this policy, the Children’s Internet Protection Act, the Neighborhood Children’s Internet Protection Act, and the Protecting Children in the 21st Century Act.

ODLS will develop Internet Safety Policies that set standards and acceptable use of Internet services with regard to: safety on the Internet; appropriate behavior while online, on social networking Web sites, and in chat rooms; and cyberbullying awareness and response.

Behavior Management and Discipline for General and Special Populations

ODLS will follow a Positive Behavior Interventions and Support (PBIS) policy and will foster a culture of accountability, respect, and engagement.

The ODLS Student Code of Conduct/Student Discipline Code will designate sanctions for the infractions of rules, excluding corporal punishment (no employee of ODLS will administer corporal punishment to a student enrolled at ODLS (under section ORC 3319.41)), which shall: 1. relate in kind and degree to the infraction; 2. help the student learn to take responsibility for his/her actions; 3. be directed, where possible, to reduce the effects of any harm which may have been caused by the student’s misconduct.

The Board is committed to the School-wide use of PBIS with students. School Personnel shall work to prevent the need for the use of restraint and/or seclusion. PBIS emphasizes prevention of student behavior problems through the use of non-aversive techniques, which should greatly reduce, if not eliminate, the need to use restraint and/or seclusion.

Only school personnel who are properly trained will be permitted to physically restrain and/or seclude a student if there is immediate risk of physical harm to the student and/or others; there is no other safe and effective intervention possible; and the physical restraint or seclusion is used in a manner that is age and developmentally appropriate and protects the safety of all children and adults at the event. Training in methods of PBIS and the use of restraint and seclusion will be provided to all school personnel deemed appropriate by the Head of School. Training will be in accordance with Ohio law.

Every use of restraint and seclusion shall be documented and reported in accordance with this Policy. Terms of this policy shall be defined consistent with OAC 3301-35-15.

Family Involvement and Communication to Support Learning

Parent-teacher communication, or in the case of ODLS which will enroll adult-aged students, student-teacher communication, is a vital cornerstone to maintain the unique partnership between the School, the students, and the parents. Teachers are the first point of contact for academic questions. Respectful, productive communication is expected among students, parents, and teachers. The teacher is also an important link of communication with the ODLS administrative office.

The School will have a defined communication plan as outlined in the Instructional Plan section above. Students and parents will have regular communication with teachers via telephone, email, and within synchronous classes.

Measuring Student and Family Satisfaction

Parents and students will help to continuously evaluate the operation of the School both online and offline. ODLS will annually survey parents and students online to determine their satisfaction with their overall experience. Criteria of the survey will include the enrollment process, curriculum, instruction, learning management system, administration, support, quality of materials, student progress, student attitude towards learning, communication, and interaction with other students and parents. Parents and students may supply critiques and/or endorsements regarding their experience at the School.

Extra-Curricular Activities

K12 hosts national online clubs that provide a great way for students to engage in live and recorded sessions throughout the year in topics that are of interest to them. National club sessions typically begin in September and

run through May. They will be open to all ODLS students.

Students may also have opportunities to connect with local clubs hosted by the School. All activities will focus on developing a strong sense of community among students and often include a school council, a community service club, and additional clubs depending on student interest (e.g., Arts, Debate, Chess, Robotics, etc.).

School based club offerings may meet online or face-to-face. For example, a school based Robotics club may find a central area in which to meet and may have a fun, competitive element. Some K12 managed public school based programs have had travel clubs with destinations all over the world and student councils that attend state conventions.

Suspension/Expulsion Policies

A student cannot be suspended or expelled and thereby deprived of a free education provided in the public schools without due process. Due process requirements guarantee all students the right to fair notice, fair procedures, and a fair hearing. The student and his or her parents or guardians have the responsibility to follow the procedures set forth herein in a respectful and timely fashion.

"Suspension" is the temporary exclusion of a student for a period not to exceed ten school days. Violations which may lead to suspension include: abusive language or conduct; cheating; disruptive behavior (including use of tobacco) and/or minor infractions; unauthorized LMS access; indecent exposure or conduct; burglary; abusive language or conduct directed at a school employee or trustee; false information; interference with the education process and bullying (including cyber-bullying); vandalism; theft; and harassment (including race/color, national origin, disability, sexual). Any combination of the above offenses may lead to expulsion, following the due process procedures.

In accordance with the law, the Head of School may seek to permanently exclude a student, sixteen years of age or older, who has been convicted of or adjudicated delinquent for committing the following offenses: carrying a concealed weapon or conveying or possessing a deadly weapon or dangerous ordinance on property owned or controlled by the School or at a school-related activity; possessing, selling, or offering to sell controlled substances on property owned or controlled by the School or at a school-related activity; complicity to commit any of the above offenses, regardless of where the complicity occurred.

In accordance with law, any student, sixteen years of age or older, who has been convicted or adjudicated delinquent for committing the following offenses may be subject to permanent exclusion: rape, gross sexual imposition or felonious sexual penetration; murder, manslaughter, felonious or aggravated assault; complicity to commit rape or murder as described, regardless of the location of the complicity.

The above statement of policy on permanent exclusion will be posted at a central location at the School headquarters and placed in the Student/School handbook.

F. Proposed Outcomes: Outcomes should be derived from the needs assessment and plans outlined in the sections above.

ODLS' achievement of the School's mission will be measured by student attainment of the fixed and comparable measures from mission-specific SMART goals in credit acquisition as measured by course passing rates, attendance rates, graduation rates, Individual Career Plan implementation, and individual student academic growth as measured by NWEA MAP. At the appropriate time, ODLS will work with OCCS to align the OCCS goals to the Ohio School Report Card using a template provided by OCCS.

- By June 30 of each contract year, each 9th-12th grade student will attend 83% of expected time each year as demonstrated by individual student attendance rates.
- The School attendance rate, as measured by percent of expected time, will increase by 2% in year 1, 2%

in year 2, and 1% in year 3 or charter contract as demonstrated by schoolwide attendance rate.

- By June 30 of each contract year, each 9-12th grade student will pass 70% of assigned courses as evidenced by course passing rates.
- The School passing rate of assigned courses will increase by 2% in year 1, 2% in year 2 and 1% in year 3 of the charter contract as evidenced by schoolwide passing rate.
- The 4th, 5th, 6th, 7th and 8th year graduation rates will meet the statewide drop-out prevention and recovery schools' average rate in the applicable year.
- Graduating students at ODLS who choose the Ohio State Test graduation pathway will earn at least 18 points on the seven end-of-course state assessments and students who choose the College and Career Readiness pathway will earn remediation-free scores in mathematics and English language arts on either the ACT or SAT.
- By the end of each NWEA MAP testing period as defined by Ohio Department of Education, 75% of enrolled ODLS students will complete the Reading and Math MAP assessments.
- By the second month of school enrollment, 100% of ODLS students will have an Individual Career Plan that will be reviewed twice annually by June 30 of school year.
- By June 30 of each contract year, the total number of grades 9-12 students who are proficient in core subject areas of math, science, English language arts, and social studies will increase by at least 25% as demonstrated by grade-level standards based assessments, NWEA MAP, and/or state tests.
- By June 30 of each contract year, 80% or more students in grades 9-12 below grade level will make a minimum of 1.25 years growth as demonstrated by progress measures on NWEA MAP and/or state tests.
- By June 30 of each contract year, 80% or more students in grades 9-12 at or above grade level will make a minimum of 1 year growth as demonstrated by progress measures on NWEA MAP and/or state tests.

Intentional analysis of progress towards the mission-specific goals will be a part of the School's culture. K12 provides and regularly monitors a variety of student-level data. The data will be provided and analyzed at different levels of the School's organization.

The School's administration, teachers, and the Family Academic Support Team (see Section G. Outcome Support Teams) will closely monitor student attendance in synchronous sessions, student progress, and achievement in individual course assessments, NWEA MAP performance levels and growth by grade level, credit acquisition, and student attendance in relation to expected percent of time. This information, along with enrollment and withdrawal numbers, student demographics, special education populations, graduation year cohorts, ethnicity balance, and family and teacher satisfaction survey results will be reported as available by the School's administrative staff to the Board. The Board will, pursuant to the charter contract, report these findings to the sponsor and ODE, as applicable.

G. Outcome Support Teams: Define which teams will be used and what role they will play in the implementation of the Educational Plan and the achievement of goals defined in the above "Proposed Outcomes."

Ohio Digital Learning School will use the Ohio Improvement Process (OIP) model to evaluate and inform student instruction using student assessment and performance data as its basis. The OIP model is a multi-stage and multi-level progress monitoring process, which takes into consideration summative and formative data collected,

measuring the success of the School's instructional program. The teachers hold weekly Teacher Based Team (TBT) meetings. The Building Leadership Team (BLT) holds quarterly meetings, using data from the TBT meetings. The Community School Leadership Team (CSLT) meets bi-annually and members are also on the BLT. The progress towards goals is regularly shared with the Board members in the form of trend data reports.

In addition to the OIP implementation, K12 will facilitate ODLS' use of the individual data meeting structure from *Leverage Leadership: A Practical Guide to Building Exceptional Schools* (2012) by Paul Bambrick-Santoyo, among other leverages, to hold individual teachers accountable for individual students' assessments and performance data. The data meetings are a continuous yearly effort rooted in the improvement cycle: collect data, evaluate data, provide informed instruction; collect data; etc.

The Data Driven Instruction model's individual teacher data meetings, along with TBTs, the BLT, and the CSLT meetings focus on current, accurate and useful data directly related to the School's mission, and goals. The School leaders analyze assessment data and track progress toward meeting or exceeding one year's growth.

ODLS will hold weekly subject specific data meetings between the course teacher and Instructional Support to review data in depth and determine adjustments to pacing and curriculum maps. All students will be provided live daily targeted interventions hosted by a school staff member, using an adaptive program based on internal assessments in mathematics and English language arts. Depending on their roles, the entire school staff will monitor progress through regular interim assessments and weekly assignments during TBT and data meetings. For End of Course tested subjects, teachers will incorporate American Institute for Research (AIR) released questions and AIR-type questions into weekly constructed response questions. The school-wide professional development focus is on increasing Depth of Knowledge.

Students and parents are also expected to attend, participate, and respond to the individual students' data. Using the homeroom as a "safe" place to discuss performance data, students are instructed in social emotional learning to understand that actions are choices and choices can be made differently integrated within the college and career counseling. The Advisor discusses the students' interim data individually and guides the student and parent or Learning Coach towards achievement and behavior goals in order to improve.

Built into the School's structure will be the Family Academic Support Team (FASTeam), which consists of a FASTeam Lead, a Family Resource Coordinator, Family Academic Support Liaisons, a Family Engagement Coordinator (this position will be added after Year 1), and a Compliance Liaison. The purpose of the FASTeam is to monitor students' overall academic and social health and attendance. The FASTeam effectively "ties together" the students' educational experiences at the School and is responsible for building the School's community.

Family Academic Support Liaisons (FASLs) are advisors of sorts that serve as the facilitators in orientation courses to ensure that students are ready to learn and to succeed. The FASL role is similar to a Dean of Students role because they focus on ensuring students are attending their daily classes and engaging in the learning process. In addition, the FASLs serve as an important administrative resource, helping to pull together teachers and Learning Coaches for conferences when students need support.

In the few instances where the above still aren't able to reach the student, the FASLs will work with the Compliance Liaison to reach students who have reached truancy status. The Family Resource Coordinator is crucial as this person assists students with non-academic issues related to social, emotional, or cognitive development, and personal health and safety areas such as homelessness or juvenile delinquency.

Each FASTeam member is expected to attend the TBT meetings for their individual caseload to add consideration of the external and circumstantial anecdotal data of the students and develop the Back on Track plan with the academic teachers.

The Advisor and Guidance Counselor team provide career counseling and graduation planning and work alongside the FASTeam. During the weekly career counseling period, the Advisor builds the Individual Career

Plan based on the student's career interest survey. During the initial Individual Career Plan meeting, the Advisor will go over the results of the career interest survey and resources available to the student on an online college and career planning platform like Graduation Alliance's *Voyager* that helps students organize and plan their futures. If the student agrees to the outcome, the career goal will be recorded on the Individual Career Plan. The student's historical grades and Graduation Plan will be reviewed, providing an individual path to graduation. The Advisor will then guide the student through the remainder of the high school courses the student will take based on the career field and develop the post-secondary goal of entering a two-year degree, acquiring the necessary credential or entering into an apprenticeship. The student's teachers, Advisor, and Guidance Counselor will have access to the Individual Career Plan for reference.

Students enrolled in credit recovery courses receive an additional layer of support provided through the Guidance Counselor and the credit recovery instructional staff. The credit recovery instructional staff engage the student in the curriculum and instructional opportunities to provide individualized interventions and support. The Guidance Counselor closely monitors credit deficiencies and credit acquisitions throughout the student's enrollment to ensure the goals of the Individual Career Plan are met.

School Governing Authority

A. Governance: Outline the role the governing authority sees for itself as it relates to the governance of the school.

Governing Board

In accordance with Ohio law, the Board of Directors of Glass City Education Corporation (the "Board") will govern ODLS as a public community school sponsored by the Ohio Council of Community Schools (OCCS). The Board will have ultimate responsibility for the policy development, operations, and finances of the School as provided by law. In addition to its governance role, the Board views its primary purpose as supporting the educational endeavors of the ODLS students and supporting the administration in providing a high quality operational, academic, and instructional infrastructure.

Copies of the Glass City Education Corporation Articles of Incorporation and Code of Regulations are attached as **Attachment 2** and **Attachment 3**, respectively. Glass City Education Corporation has started an application for 501(c)(3) status with the Internal Revenue Service.

As provided in the by-laws, the Board shall consist of a minimum of five (5) Directors. The by-laws state that each Director shall serve until expiration of a stated term (if applicable), death, resignation or removal for cause. The majority of the remaining Directors shall have the authority to appoint a successor Director to fill the vacancy caused by the death, resignation or removal of a current Director. At any time, as determined by the Board, it may, by majority vote, determine that Directors will serve for specified periods of time and that a nominating committee, as selected by the Board, will establish candidates for replacement of Directors. In such event, Directors shall be elected each year to replace those whose terms expire. If a directorship should then become vacant, the Board will have the authority to appoint a successor Director. The Board shall have the authority to establish such policy for the appointment and service of Directors as deemed appropriate.

The Board will meet regularly in accordance with the provisions of its by-laws and OCCS contract to oversee the management, operation, activities, and affairs of the School. Meetings will be held in compliance with the state's "Sunshine Laws." Meeting agendas will be posted in advance and any person wishing to attend board meetings can do so in person or via teleconference depending on the meeting. The ODLS administrative office will maintain call-in information for individuals requesting such information and will also mail agendas to those requesting them.

It is the Board's goal that its Directors represent a broad diversity of individuals who share a commitment to the mission and vision of ODLS and have a variety of experience and talents including, but not be limited to, the following areas:

Curriculum, Instruction and Assessment Experience: Directors will need the necessary skills to understand and make educated decisions about grade-appropriate, standards based curriculum; instructional strategies; and types of assessments and the importance of assessment results. The Board will also greatly benefit from a Director who has experience with Special Education, 504, and/or English Learners.

Business Leadership and Administration: General business experience for Board Director(s) is essential for many reasons including expertise in human resources, budgeting, evaluation, facilities management, as well as input on the development of a Dropout Prevention and Recovery school.

Legal or Legislative Experience: The Board will strive to have one Director with a legal or legislative background to ensure the fair and uniform application of all federal, state, and local laws in the operation of ODLS as well as the School's charter and policies.

Finance and Accounting Experience: The Board would benefit greatly from having at least one Director with financial and accounting experience. It would be an additional benefit to have a Director with knowledge of public school finance laws, rules, and policies.

Parent of a student attending ODLS: A Director who is also a parent of a student attending ODLS is highly desired. The Board will also have a parent advisory organization which will serve as the voice of the parent and student experience with the Board and the School administration.

Board Governance: There is tremendous value in having a Board Director who has previous experience serving as a board member on a public, non-profit or corporate board of directors in order to provide input on board policies, procedures, meetings, open-meeting requirements, and other governance responsibilities of the Board.

The Board of Glass City Education currently consists of three (3) members with track records which demonstrate successful performance in many of these areas. It is actively seeking additional individuals to serve on the Board. The current Board Directors include:

Jennifer Wise, President

Jennifer Wise is an experienced board member, grant and budget manager, and entrepreneur. She is the owner and CEO of Enchanted Essence, a line of therapeutic lotions. Previously, she worked for six years as the Manager of Resident and Special Services at the Lucas Metropolitan Housing Authority in Toledo. She has experience on several boards, including serving as the past board president for Second Chance, a non-profit organization assisting trafficked women and children. In these positions, she honed grant writing skills, oversaw federal and local funding, supervised staff, and collaborated with a number of non-profit and government organizations.

Jennifer received her Bachelor's degree in Psychology from Kean College and University and her Master's degree in Criminology from the University of Toledo.

Christian Canova, Secretary

Chris Canova has held numerous leadership and operations management positions in youth workforce development organizations giving him a broad base of knowledge of finance, supervision, and human resources. He is currently CEO of Jobs for Ohio's Graduates Inc. (JOG), a position he has held for eight years. JOG's programs include High School Dropout Prevention, Retention & Graduation Leading to Jobs; Out of School/Dropout Recovery; Employment Resource Centers; Summer & Year Long Work Experience; and Leadership & Career Development Conferences. Chris is also on the National Accreditation Team for Jobs for America's Graduates (JAG) as well as serving as the National Technical Assistance Lead for Dropout Recovery Programming and on Program Startup in seven states for Learn and Earn to Achieve Potential (LEAP), a multimillion-dollar initiative by the Corporation for National and Community Service's Social Innovation Fund and the Annie E. Casey Foundation to increase employment and educational opportunities for young people facing some of the greatest challenges on the path to adulthood.

Chris received a Bachelor of Arts in Economics from The College of Wooster and a Masters of Business Administration from Malone College. He is accredited as a Certified Workforce Development Professional (CWDP) and a Nationally Certified Trainer (Jobs for America's Graduates) as well as having received an Assessment Center Certification from Kent State University.

Gregory Fockler, Treasurer

Greg Fockler is a financial advisor with Informative Financial Services in Toledo. He counsels clients on their financial goals and develops fiduciary relationships. He has earned the Investment Advisor Representative (IAR) designation. Prior to his position as a financial advisor, Greg was employed as a court runner by the law offices of Jennifer Antonini, transporting and filing legal documents. He also served as an inside sales intern with DocuSphere in Perrysburg, researching leads and making sales calls to executives.

Greg is currently serving as treasurer of the St. Francis deSales Young Alumni Group and is a past board member of the National Association of Insurance and Financial Advisors (NAIFA). He currently serves on the NAIFA Young Advisor Team.

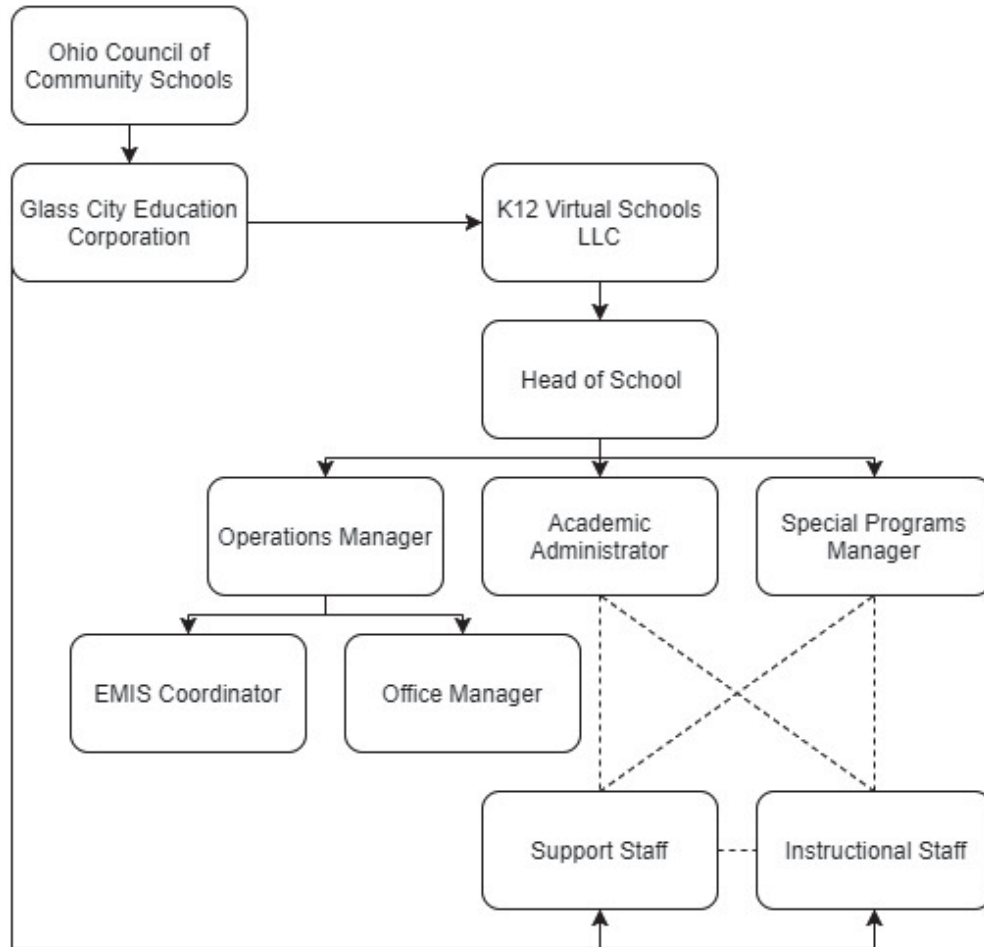
Greg graduated with a Bachelor of Business Administration from the University of Toledo, attending the Edward H. Schmidt School of Professional Sales, the number one rated sales program in the country. He majored in Professional Sales with a minor in Business Finance.

It is a priority of the Board to provide training and development opportunities for its members on a regular basis. This includes training based on national standards conducted by a nationally-recognized expert. School staff who have attended training meetings and conferences sponsored by the state and other organizations will also make training presentations to the Board. The current Board members' resumes are attached as **Attachment 4**.

Organizational Capacity

A. Operations: Describe the organizational structure of the proposed school and provide an organizational chart. Provide the staffing plan for the school, including the recruitment, selection, training, and retention of the school leader, teachers, and other key personnel.

ODLS Organizational Chart



Glass City Education Corporation is the non-profit board that will provide leadership and oversee the Ohio Digital Learning School, while ensuring that the terms of the charter are met.

The Board intends to enter into a contract with K12 Virtual Schools LLC (K12) to provide educational products and services as outlined in the draft Educational Products and Services Agreement (EPSA) (**Attachment 1**). K12 will be responsible to and report directly to the Board regarding all matters concerning the operations of the School.

The Board has the responsibility and authority over the charter and the operations and oversight of the School. Its primary role is to provide effective governance. In doing so, the Board will help the School fulfill its defined mission and purpose while achieving adequate academic performance, establishing financial stability based on transparency and accountability, ensuring regulatory compliance, and meeting all expectations and mandates established in the charter contract to be entered into with the sponsor.

The Board’s major roles and responsibilities will include, but are not limited to, the following:

- Govern all aspects of school operation

- Protect the legal interests of the ODLS
- Determine and guide the School vision/mission
- Adopt Board policy and by-laws
- Demonstrate sound legal and ethical practices and policies
- Establish ODLS school policy
- Oversee the administrative staff's implementation of procedures consistent with School policies
- Encourage positive external relations with the community, school districts, media, neighbors, parents, and students
- Monitor and evaluate the performance of the Educational Service Provider under the terms of the EPSA (see draft in **Attachment 1**) for educational, administrative, and technology services
- Implement strategic planning and development
- Ensure adequate resources and manage them effectively, including overseeing School finances and purchases
- Comply with sponsor, state, and federal reporting requirements
- Assess ODLS academic and operational performance
- Negotiate terms of EPSA with the Educational Service Provider

The Board will employ general education and special education teachers and support staff (e.g., Guidance Counselors, Advisors, FASTeam personnel, and Instructional Coaches). K12 will recruit and make recommendations to the Board about teacher and support staff hires.

Administrative staff will be employees of K12, including the Head of School (HOS) and other positions as may be necessary for the efficient operation of ODLS (e.g., Academic Administrator, Special Programs Manager, and Operations Manager). K12 will have the responsibility and authority for determining administrative staffing levels necessary to carry out its obligations to the Board.

Please see **Attachment 5** for a staffing plan and **Attachment 6** for sample job descriptions.

Teacher Recruitment and Hiring

It will be the goal of ODLS to employ the best teachers and administrators available. With assistance from K12, the Board will use multiple means of communicating and building relationships with potential candidates including job advertisements rich with content about the School and its online model; best practice employee referral programs; as well as active and passive candidate sourcing techniques. Jobs will be posted on various different media, including *Indeed.com*, *LinkedIn*, *CareerBuilder*, *Education Week*, *Monster.com*, and local media. The Board will make use of university relationships, social media, and available talent communities. The assessment process will incorporate situational, skills, competency, and behavioral methodologies. Candidate assessments will be applied through screening questionnaires; technical skills knowledge tests; and digital, phone, and in-person interviews.

ODLS will employ experienced educators. Teachers will have a bachelor's degree or higher, be state licensed, and demonstrate competency in a secondary subject area. If appropriate, teachers and other staff with bilingual skills will be recruited and hired. The faculty will include general and special education teachers at all appropriate grade levels. The number and types of teachers recruited will depend on student needs from year to year. Ongoing enrollment may necessitate hiring throughout the year. Although ODLS will employ the teachers, **Attachment 6** includes a sample K12 teacher job description that the Board may replicate, if it chooses.

Prior to opening in the fall of 2019, the process to advertise for, select, and employ online instructional staff for ODLS will take place in the late spring of 2019. ODLS will partner with K12 to secure a corps of the highest quality teachers through K12's teacher recruitment and retention initiative, *Teach360*.

The *Teach360* recruitment and hiring process is coordinated by internal K12 recruiting staff with support from talent sourcing specialists and coordinators. Universities, ODLS branding, social media, "talent communities" –

virtual environments where like-minded professionals can interact with K12 recruiting professionals to learn about the organization and opportunities-- and a K12 internal employee referral program provide additional avenues through which qualified employees will be sourced.

The *Teach360* initiative has screening steps that include a series of questions, eSkill screenings, and qualification reviews. Once qualified candidates are identified, ODLS' appropriate administrator(s) will take part in online and telephone interviews and provide an opportunity for the candidates to perform a lesson plan audition.

The final steps include collection of references and facilitation of background checks. Candidates must comply with all state laws requiring fingerprinting and other documentation for applicants who have completed the interview process. K12 will also provide the Board with background information on finalists for each position as well as an opportunity to interview finalists if the Board so chooses, and a reasonable time for the Board to provide K12 with comments regarding the finalists.

Administrative Staff Recruitment and Hiring

The administrative staff, employed by K12, will manage the School, handling all day-to-day academic, operational, and management issues. School leaders will be administrators with demonstrated leadership experience. Staff will be expected to demonstrate expertise in curriculum, instruction, assessment, finance, facilities, business management, governance, and administration based on their positions. K12 will have the responsibility and authority for determining administrative staffing levels necessary to carry out its obligations to the Board.

Like teaching staff, administrative staff will be recruited with advertisements in well-known education trade publications such as *Education Week*, via online job recruitment sites such as *Monster.com*, and in local media. K12 will also consider referrals from current employees and draw on its partnerships with various universities to source qualified staff. Administrative staff candidates will be selected and interviewed by the HOS and Academic Administrator. After checking references for final candidates, the HOS will make hiring recommendations to K12. Administrative staff will abide by all required finger printing and background check regulations per the Ohio Revised Code.

Head of School

The Head of School (HOS) has not yet been selected. This is a crucial role to the School and will be among the first employees hired. While it is possible that the ODLS HOS may be an already experienced HOS that transfers from a different K12 managed school, K12 also actively builds a pipeline of qualified Heads of School through its *Grow Emerging Leaders Program*. The *Grow Program* is designed to identify and build the leadership skills of emerging leaders in K12 managed schools. The program includes a multi-day, teambuilding summit at K12 headquarters; virtual leadership seminars to develop specific skills of an effective school leader; Community of Practice to provide emerging leaders the opportunity to engage with other aspiring leaders; and a self-directed leadership project to highlight their strengths and solve authentic school-based challenges.

If the ODLS HOS is new to this role, the HOS will enter into an extensive training program through K12 known as *Lead360* which focuses on school leadership development and school improvement support. Its goals are to ensure that every K12 managed public school has exceptional leadership at its helm and to partner with struggling schools to build sustained school improvement in identified areas of need. *Lead360* builds and enhances HOS leadership practice and effectiveness through individualized leadership plans, collaborative training and development, and a high level of support and feedback.

Other School Administrator Training

School Administrator Training for other school leaders such as the Operations Manager, Academic Administrator, and Special Programs Manager will consist of face-to-face training and synchronous sessions on Blackboard Collaborate or a similar web conferencing platform as well as access to online reference tools. The online synchronous sessions are designed for a wide range of administrative staff members (other than the HOS) who have significant differences in their day-to-day responsibilities of working with students and teachers of various

grade levels. These synchronous sessions are designed and delivered by K12's Academic Services Division, which is comprised of Master Educators (staff who have a master's degree or higher and 5-10 years of prior experience teaching or in administration of virtual schools) who have vast and demonstrated experience and expertise in K12's network of public school programs.

There are four required training assignments for administrators as well as an ongoing focus for the year:

1. Orientation to Training: This live session provides a context for training, knowledge of the path for assistance, an awareness of best practices, and a plan for next steps.
2. New Administrator Customized Training Plan: This is a guide provided to new administrators to assist them in creating a customized training plan that effectively addresses their own job. Each new administrator provides her/his training plan to the administrator's supervisor or designated reviewer.
3. Class Connect Basics: This is a series of four synchronous sessions that introduces the use of the web conferencing tool, Blackboard Collaborate, for direct instruction in the virtual classroom and for running school related meetings.
4. Data-Driven Instruction: This training provides an overview of several topics critical to virtual instruction, including the use of assessment tools to drive individualized instruction.

Administrators will have ongoing monthly synchronous professional development via a series of lessons crafted to a pre-determined area of focus for raising student achievement. These sessions will provide opportunities for school leaders to engage in ongoing leadership development and communities of practice through collaboration across K12's network of school leaders.

In addition to the required training assignments, all staff will be trained to identify and serve English Learner students. Professional development will focus on research-based bilingual/ multicultural programs and implications for instruction, best practices of English as a Second Language, English Language Development, and/or language revitalization programs and the principles of language acquisition.

Additional Services Provided by K12

Beyond hiring the administrative staff for ODLS and assisting the Board with recruitment and hiring of the instructional and support staff, K12 will also provide ODLS with all of the services outlined in detail in Exhibit A of the draft EPSA (**Attachment 1**). These products and services include educational products and product-related services; administrative services; and technology services.

B. Enrollment and Marketing: Summarize the recruitment process and marketing plan. Indicate the number of students projected to be enrolled the first year and during years 2- 5, and the proposed grade levels to be served each year.

Student Enrollment Projections

Prior to developing student enrollment projections, it is important to measure what interest exists in an online school program. This can be achieved through analysis of individuals that have expressed interest in online school products and services and/or by surveying prospective families that might be interested in the specific proposed school model (at-risk, in this case) via email. Please see the preceding Needs Assessment Section A for a detailed description of the interest that exists in Ohio for enrolling in a school like ODLS.

Growth expectations during a 5-year period have been developed taking the Needs Assessment data into consideration, along with factors such as observed trends in consumer demand, competitive environment, general acceptance of school choice, and/or the sponsor's expectations for school growth. The projections also reflect the growth of virtual charter schools in the state as well as in similar states that have virtual schools. The rate of enrollment growth each year the School is in operation is based on historical trends in similar virtual charter schools, the highest growth rates being in the first years of operation and gradually decreasing growth rates as the School has been in operation for a few years. Following are the enrollment projections for ODLS:

Year	Grade Levels	Enrollment Projection
2019-2020	9-12	1,000
2020-2021	9-12	1,250
2021-2022	9-12	1,562
2022-2023	9-12	1,952
2023-2024	9-12	2,440

Marketing and Recruitment Process

According to the draft management agreement with ODLS, K12 could provide pupil recruitment services, including creating, designing, and preparing information to assist parents and students in making an informed choice about ODLS. As part of its outreach plans, ODLS would make information on its curriculum and policies available to all persons, parents, and pupils considering enrollment in the School. The information will include, but not be limited to, background on the K12 curriculum, the School, and a Parent-Student Handbook that includes policies on admission, enrollment, role of the responsible adult, grade level promotion, course level placement, materials and computers, Internet service, and other school policies.

ODLS will use several means of recruitment for potential students and their families. It is a recruitment model which has been used successfully by charter schools in other states to attract diverse student bodies that includes using a variety of marketing techniques--matching the charter school program and applicants' educational and personal needs:

- ODLS representatives will meet with community leaders, including those in minority and low income areas, both urban and rural, to recruit students.
- Information sessions open to interested families and the general public will be held throughout Ohio and online. Information sessions will be advertised in various print and electronic media. During these sessions, prospective patrons will have the opportunity to interact with the ODLS curriculum, including lessons and materials, and have questions answered. Enrollment forms will be available online. The same format will be followed during the online sessions.
- ODLS may participate in organized grade-appropriate awareness activities and sponsored events.
- ODLS and K12 may inform students and families about enrollment opportunities and other program information through a variety of media such as print (i.e. flyers), radio, eBlasts, TV, Internet, and out of home advertising (e.g., billboards).
- The School will establish a website and will use this as the primary mechanism to communicate with interested, prospective families.
- The School will establish a call center to provide information to prospective applicants.
- ODLS staff may participate in television, radio, and newspaper interviews as necessary.
- Enrollment applications for ODLS will be available online as well as at the School's administrative office.
- ODLS will distribute recruiting materials about the School's mission, curriculum, leadership, and the application process to public places such as libraries or schools.
- After initial enrollment is finalized, parents of students enrolled in ODLS will be invited to one of several parent orientation sessions that will be conducted throughout the state or online. At the orientation session, parents will meet the administrative staff, teachers, and K12 representatives. Sessions will be designed to inform parents about navigating the program, technical support, lesson delivery, effective communication, and school policies.

Student Admission Policy

Pending approval by the Board, the admission policy will be as follows:

Admission to ODLS shall be open to students in grades 9 – 12 who reside in any school district in Ohio and who are entitled to attend school pursuant to section 3313.64 or 3313.65 of the Ohio Revised Code. ODLS will not discriminate in the admission of students on the basis of race, creed, color, disability, or sex and will not limit

admission to students on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability. ODLS will admit the number of students that does not exceed the capacity of the School's programs, classes, grade levels, or facilities. If the number of applicants exceeds the capacity restrictions of the School, students shall be admitted by lot from all those submitting applications, except preference shall be given to students attending the School the previous year, to students who reside in the district in which the School is located, and to siblings of students attending the School the previous year.

Financial Viability

A. Budget: Provide the school's estimated costs and revenues from the school's pre-operational start-up phase through the first year of operation, including assumptions behind revenue and expenditure projections. Provide the name of your school's fiscal officer or a list candidates being considered and a deadline for hiring. If an EMO is providing a loan to cover up-front costs, describe how these costs will be charged back to (and paid by) the school. Please describe any fundraising efforts that have been completed or are anticipated in support of the school.

A proposed budget from the School's pre-operational start-up phase through the first year of operation including revenue and expenditure projections is included as an attachment to this application (see **Attachment 7**). Details of budget assumptions are included. The budget is aligned with the ODLS application including the staffing plan.

The services of a licensed (under section ORC 3301.074) fiscal officer will be included in the EPSA with our management partner, K12. The term of the draft EPSA (**Attachment 1**) begins on July 1, 2019. In conformance with ORC 3314.011, the Board will annually adopt a resolution waiving the requirement that the Board is the party responsible for employing or contracting with a fiscal officer and will provide the resolution to OCCS for approval. A new resolution will be adopted each year that the Board wishes to waive this requirement, so long as OCCS also approves the resolution.

In accordance with the EPSA, the School will have the option to obtain start-up funds in the form of a cash advance from K12. Please refer to Sections 5.4 and 5.5 of the draft EPSA (**Attachment 1**) for details regarding advances and start-up costs. Please refer to Section 7 and Exhibit A of the draft EPSA regarding administrative services and fees.

The budget does not include funding from grants or in-kind donations. The Board intends to apply for appropriate federal, state, and philanthropic grants, but knows that these are often competitive and restricted to highly targeted interventions. If available, the School will apply for such funding to be used to supplement the program spending reflected within the School budget.

Existing Design Applicants (not applicable if you have never opened a school)

A. Academic Program

Please see **Attachment 9**.

B. Organizational Capacity and Compliance

Please see **Attachment 9**.

C. Financial Viability

Please see **Attachment 9**.

D. Capacity to Replicate

Please see **Attachment 9**.

E. Management Partnerships

- Provide a copy of the proposed or a current management agreement.

The Glass City Education Corporation intends to enter into an EPSA (see draft agreement in **Attachment 1**) with K12 Virtual Schools LLC, a subsidiary of K12 Inc. See **Attachment 9** for a description of the management partner, K12 Virtual Schools LLC.

ATTACHMENTS

Attachments which provide additional information to support the narrative. All attachments should be numbered and clearly referenced in the New School Application. Choice of attachments is at the discretion of the applicant. Examples of attachments include curriculum samples, letters of support, financial statements/audits, local report card data for existing schools, or any additional information that you feel will help us better understand your application.

1. Draft EPSA
2. Glass City Education Corporation Articles of Incorporation
3. Glass City Education Corporation Code of Regulations
4. Glass City Education Corporation Board Member Resumes
5. Staffing Plan
6. Job Descriptions
7. Draft Budget
8. K12 Schools and Military Base Programs
9. Response to Existing Design Applicants Questions

EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT

Between

OHIO DIGITAL LEARNING SCHOOL

and

K12 VIRTUAL SCHOOLS LLC

**FOR THE OHIO DIGITAL LEARNING SCHOOL SPONSORED BY THE OHIO COUNCIL OF
COMMUNITY SCHOOLS FOR OHIO STUDENTS IN GRADES 9 THROUGH 12 – NO LESS THAN
16 AND NOT OLDER THAN 21.**

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EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT

Between the
OHIO DIGITAL LEARNING SCHOOL
And
K12 VIRTUAL SCHOOLS LLC

This EDUCATIONAL PRODUCTS AND SERVICES AGREEMENT (“**Agreement**”) is made and entered into between the Governing Body (the “**Board**”) of the OHIO DIGITAL LEARNING SCHOOL, an OHIO nonprofit entity, (hereinafter the “**School**”) and K12 Virtual Schools LLC, a Delaware limited liability company (hereinafter “**K12**”), each a “**Party**” together the “**Parties**”, and includes the following exhibits:

- a. Exhibit A (Products and Services)
- b. Exhibit B (K12 Proprietary Marks)

BACKGROUND

A. The Board was authorized by the OHIO COUNCIL OF COMMUNITY SCHOOLS (the “**Sponsor**”) pursuant to a charter contract (the “**Charter**”) to operate and govern the OHIO DIGITAL LEARNING SCHOOL, a virtual public charter school, also referred to as **ODLS** in short form.

B. The School’s mission is to offer an innovative way of learning through the use of technology combined with teacher, student and parent (learning coach) involvement, to provide a dropout prevention and recovery school model for high school students throughout the State of OHIO (“**State**”).

C. The Board and Sponsor entered into the Charter dated [REDACTED] [CHARTER DATE], pursuant to Chapter 3314 of the Ohio Revised Code, to operate the School which will utilize K12 products and services in accordance with this Agreement.

D. K12 and its Affiliates (defined below) will provide the Board with a variety of educational products and services which may include curriculum, learning management system, teacher training, school administration and technology services specified in this Agreement.

NOW THEREFORE, the Parties agree as follows:

1. **DEFINITIONS.** For the purposes of this Agreement, capitalized terms used herein, but not otherwise defined, shall have the meaning ascribed to them in this Section 1 as follows:

- 1.1. **Affiliates.** An Affiliate of K12 is an entity that controls, is controlled by, or under common control with K12, where “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of an entity, whether through the ownership of securities, by contract or otherwise.
- 1.2. **Applicable Law.** Applicable Law is the Constitution of the State and federal, state or local statutes and regulations applicable to public charter schools in the State, and any amendments to, or recodification of, the aforementioned laws.
- 1.3. **Change in Net Assets.** A Change in Net Assets is the difference in a given Fiscal Year between the School Revenues and School Expenses as certified by an independent audit in accordance with Generally Accepted Accounting Principles (GAAP).

1.3.1. A “Positive Change in Net Assets” means School Revenues exceeded School Expenses in a given Fiscal Year.

- 1.3.2. A “Negative Change in Net Assets” means School Expenses exceeded School Revenues in a given Fiscal Year.
- 1.4 Facility. Facility is the real property leased for the School’s administrative offices located at Toledo, Ohio.
- 1.5 Fiscal Year. The Fiscal Year is the period from July 1 through June 30.
- 1.6 Net Asset Position. Net Asset Position means the difference between total assets and liabilities of the School at the end of a given Fiscal Year as certified by an independent audit in accordance with GAAP.
- 1.6.1. A “Positive Net Asset Position” means that total assets of the School exceed total liabilities of the School.
- 1.6.2. A “Negative Net Asset Position” means that total liabilities of the School exceed total assets of the School.
- 1.7 School Revenue. School Revenue is all funding received by or on behalf of the Board as attributed to any Student or the School which includes, but is not limited to, the following sources as applicable: state and local per-pupil basic education funds and other public school state and local funding; federal funds for the School and/or its Students; other funding including, but not limited to, Title I funding; State provided facility funding and other income or revenue sources provided by law and obtained by the School, Board and/or K12 (which are not specifically excluded herein) and all contributions and grants received by or on behalf of the School or its Board. School Revenues shall not include: (i) income generated by Students individually or collectively via student fundraisers (whether such fund raiser is School-sponsored), and (ii) private charitable donations made to the School’s general fund; all to the extent K12 is not required to manage, track, report on or otherwise assist with the generation, disbursement or collection of such income or donations.
- 1.8 NOT USED.
- 1.9 Section. Section means the reference to the applicable paragraph or sub-paragraph of this Agreement unless the context states otherwise.
- 1.10 Special Education Student. A Special Education Student is any Student who has, will have, or requires an Individualized Education Program (“**IEP**”).
- 1.11 Student. A Student is any pupil enrolled and/or otherwise taking course(s) in the School or previously enrolled, including those pupils who have withdrawn.
- 1.12 Student Support Staff. Student Support Staff means any position, other than Teachers, that provides direct services to the School and its Students, which may include a guidance counselor or nurse.
- 1.13 Teachers. Teachers are staff providing direct instruction to the Students including master and lead teachers, if any.

2. **K12 RESPONSIBILITIES, EDUCATIONAL PRODUCTS AND SERVICES.**

- 2.1 **Educational Products.** During the Term, K12 and Affiliates shall license to the Board solely for use in the School, on a non-exclusive, non-assignable, non-sublicensable basis the products and offerings, as described in Section I of Exhibit A, to include curriculum, access to an online school and learning management system(s), instructional tools and other products and product related services as set forth in Section I of Exhibit A (collectively the “**Educational Products**”). Notwithstanding the forgoing, no Educational Products shall be provided for the purpose of benefiting the Board, the School or any personnel or students for any School year beyond the expiration or termination of this Agreement.
- 2.2 **Administrative and Technology Services.** During the Term, K12 and Affiliates shall provide to the Board solely for the School “**Administrative Services**”, including financial and school administration services, Teacher training and management, and “**Technology Services**” to include a student information system, hosting of an online platform, a student account management system and related technical support and other educational services as described in Exhibit A. The Administrative Services and Technology Services shall collectively be referred to as the “**Services**”. Notwithstanding the forgoing, no Services shall be provided for the purpose of benefiting the Board, the School or any personnel or students for any School year beyond the expiration or termination of this Agreement.
- 2.3 **Place of Performance.** Performance of Services is not required to be rendered at the Facility and may be performed at K12’s corporate offices or elsewhere in K12’s discretion, unless specifically stated in Exhibit A or for compliance with Applicable Law or the Charter.
- 2.4 **K12 Compliance.** K12 will provide the Educational Products and Services and shall maintain the confidentiality of School personnel, Student data and other records in material compliance with Applicable Law, the Charter, and School Policies made known to K12 in writing and relating to the School. Subject to Section 3.2 and Section 12, K12 shall also comply with changes in School Policies within thirty (30) days of receipt of written notice and a copy thereof.
- 2.5 **Non-Discrimination.** K12 prohibits discrimination in all its programs and activities on the basis of race, color, religion, sex, national origin, age, disability, and where applicable, marital, veteran or familial status, and sexual orientation, and on all other bases required by Applicable Law.

3. **BOARD RESPONSIBILITIES AND GOVERNANCE.**

- 3.1 **School Oversight and Governance.** The Board shall be responsible for overseeing the School’s quality, operational and financial performance in accordance with the Charter and Applicable Law and working with the Sponsor and other authorities. K12 shall reasonably cooperate with such monitoring and oversight. The Board shall also be responsible for monitoring K12’s performance to ensure compliance with the Charter and the terms of this Agreement.
- 3.2 **Adoption of Policies.** K12 shall recommend various school policies. The Board, however, retains ultimate responsibility for adopting policies and for overseeing K12’s implementation. K12 will cooperate with the implementation of School Policies and adopt procedures consistent with such policies, subject to Section 12. The Parties will work collaboratively in a timely manner on the creation of School Policies. Until collaborative policies are in effect, the Parties agree that K12’s standard policies and practices applicable to similarly situated schools shall be used to avoid a lack of any policy. The Board shall promptly provide K12 written copies of all School Policies adopted and must promptly notify K12 in writing of any changes to such policies. The Parties agree that no School Policies shall revise, amend or create additional rights or obligations to either Party of this Agreement, except as may be agreed to by both Parties as a written amendment hereto.

- 3.3 Confidentiality of Records/FERPA. The Board shall ensure that K12 has the right to access personnel, Student and School financial data. For purposes of the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g; 34 CFR Part 99 (“**FERPA**”) and the State open records act, the Board acknowledges and agrees that K12 has a legitimate educational interest for purposes of the School representatives disclosing a student’s educational records to K12. The Board shall define “school officials” and “legitimate educational interest” as permitted by FERPA, broadly enough to permit the provision of the Educational Products and Services hereunder.
- 3.4 School Related Documents. The Board shall promptly provide K12 with reports, documents and other findings that are related to, or may have an impact on, the School and/or K12’s obligations herein. Such School related correspondence includes, but is not limited to, Board resolutions and reports, minutes of Board meetings, State audit preliminary and final reports, and Sponsor reports, findings and correspondence, and any reports, financial or otherwise, submitted to a State regulatory body. The Board shall not withhold, and shall cooperate with K12 to ensure K12 has the needed data and information within the Board’s control in a timely manner.
- 3.5 Board Compliance. The Board will perform its obligations under this Agreement and shall materially comply with, and govern itself in a manner consistent with, the requirements of Applicable Law, the Charter and the Sponsor’s policies.

4. SPECIAL EDUCATION, 504 AND ENGLISH LANGUAGE LEARNERS.

- 4.1 Special Education. Pursuant to Applicable Law including the Individuals with Disabilities Education Act (“**IDEA**”, 20 U.S.C. 1400), the School as the Local Education Agency is ultimately responsible for appropriately communicating and implementing any policies, required special education and related services to Special Education Students. K12 shall assist the School with the provision of services for Special Education Students. K12’s assistance will include approving enrollments in accordance with related policies and Applicable Law, providing general education curriculum, recruiting teachers and providing procurement support for related service providers. Where a School-based K12 employee is the representative attending meetings related to Special Education Students, including IEP meetings, at a minimum K12 will complete an annual IDEA audit. All policies defining the services and support to Special Education Students must be approved by the School’s Board.
- 4.2 ELL and 504. Pursuant to Applicable Law including Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et. seq.*), the Equal Educational Opportunities Act (20 U.S.C. 39) and Title III of the Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act (20 U.S.C. 28 and 70), the School as the LEA is ultimately responsible for providing any policies, required educational and related services to English Language Learners (“**ELL**”) and Students under Section 504 of the Rehabilitation Act of 1973 (“**504**”), as amended. K12 shall assist with its obligations by providing translation assistance during enrollment for ELL Students (and their guardians), recruiting ELL-licensed teachers, providing general education curriculum and providing procurement support for services to ELL and 504 Students consistent with this Agreement. K12 shall conduct an annual review of the School’s 504 and ELL services. All policies defining the services and support to ELL Students and for the 504 population of Students must be approved by the School’s Board.

5. FINANCIAL MATTERS.

- 5.1 Net Asset Position and Assumption of Financial Risk. Except as otherwise set forth in this Agreement, K12 assumes the risk that its fees may not allow it to operate profitably and/or fully recover the amounts invoiced. Each Party, however, shall take all reasonable steps necessary to avoid a Negative Change in Net Assets and to avoid concluding a Fiscal Year in a Negative Net Asset Position during the Term. If the School ends a Fiscal Year in a Negative Net Asset, then provided there has been no material breach of the Agreement by the Board, K12 will provide sufficient credits (“**Balanced Budget Credits**”) during the Term to be applied to K12 invoices. The cumulative total of Balanced Budget Credits shall never exceed the total of the Administrative Services Fee and the Technology Services Fee (defined in Section 7) due to K12 for the then-current Fiscal Year.
- 5.2 Balanced Budget Credit Remittances. If the School ends a Fiscal Year in a Positive Net Asset Position, as evidenced by its audited financial statements conducted in accordance with GAAP for such Fiscal Year, and K12 has issued Balanced Budget Credits (including in prior years) for which a balance remains, then the Board will remit to K12 the Positive Net Assets for that Fiscal Year, to the extent not prohibited by law, up to the cumulative amount of previously issued Balanced Budget Credits.
- 5.3 Financial Risk Mitigation. As a material inducement for entering into this Agreement and issuing Balanced Budget Credits, the Board and K12 agree that K12 is willing to assume the financial risks set forth herein, subject to both the Balanced Budget Credit remittance above and the risk mitigation efforts set forth below, each of which are material terms of this Agreement.
- 5.3.1 Third Party Provider. K12 shall be the sole provider of the Educational Products and Services for the School unless otherwise waived in writing by an authorized officer of K12. The Board shall be permitted to procure goods and services from a third party to the extent required by Applicable Law, solely provided such goods and services are not otherwise included in the Educational Products and Services. Prior to any third party procurements, the Board shall give K12 a thirty (30) day right of first refusal to provide such goods or services not enumerated herein, and if K12 is able and willing to provide such services or goods the Board shall procure them from K12; provided, however, that this does not preclude or restrict the Board in its exercise of fiduciary duties.
- 5.3.2 School Budget. The Board will adopt an annual School budget for each Fiscal Year during the Term. To the extent the Agreement is effective for the upcoming Fiscal Year, K12 will present to the Board (or its authorized delegees or subcommittee) a proposed School budget for such upcoming year. The proposed budget will include forecasting assumptions and will be presented by May 31. The Board shall consider the budget proposed by K12 and will act to approve a final School budget no later than June 30th prior to the start of such Fiscal Year. In the event the Parties cannot agree in writing upon a final budget (or any budget modification), K12 shall only be obligated to issue Balanced Budget Credits, if any, up to the amount proposed and reflected in the original budget submission or in any proposed modifications to such budget by K12. The Board shall not unreasonably withhold approval on any budget or modification proposed by K12.
- 5.3.3 Budget Modifications. K12 may submit to the Board proposed modifications to the School budget to account for actual School student enrollment for such school year, changes in key assumptions or other changes deemed reasonably necessary or appropriate. The Parties will work in good faith to agree in writing on modifications to the final School budget but, in any event, the Board shall act on any modifications proposed by K12 within thirty (30) days of the proposal thereof.
- 5.3.4 Variances from Budgets. If the Board (or its employees or designees) causes the School to

experience a Negative Change in Net Assets of more than of two percent (2%) during the entire Fiscal Year above any Balanced Budget Credits proposed by K12 in the annual budget (or above an amount otherwise agreed to in writing by K12), then K12 reserves the right to limit the Balanced Budget Credits up to such 2% variance.

- 5.3.5 Financial Risk Remedies. In the event the Board, its employees or designees act in a manner that will have the effect of materially increasing K12's obligations or materially decreasing its rights herein, for example by changing the name of the School, amending the Charter, adopting adverse policies and the Agreement is not terminated by K12 as permitted herein, then to the extent K12 has not otherwise expressly agreed to such material change in writing, K12 reserves the right to reasonably modify the level and depth of Services to the extent such modification does not violate the Charter or Applicable Law and/or to suspend the issuance of Balanced Budget Credits effective immediately beginning with the Fiscal Year that such action occurred, in addition to invoking any other rights and remedies available.
- 5.4 Advances Made by K12 on Behalf of the Board. If the available cash receipts of the School are insufficient to cover payment of Start Up Costs (defined in Section 5.5) or School Expenses on a timely basis, and the Board is unable to seek funding from other sources to cover such deficiency, then K12 may advance the Board an amount to allow payment of such expenses on a timely basis (collectively hereinafter referred to as "**Advances**"). K12 will have no obligation to make any Advances in any Fiscal Year for expenditures for: (i) any items in excess of the lesser of the amount proposed by K12 for the budget or the approved budgeted amount, except to the extent that such excess amounts are reasonably due to events beyond the Board's control; (ii) amounts payable to K12 pursuant to this Agreement or any other agreement between K12 or its Affiliates and the Board; or (iii) any matters as to which K12 or any other person or entity is entitled to indemnification under this Agreement. The Advances will be due and owing to K12 in accordance with Section 3.2.
- 5.5 Start Up Costs. "**Start Up Costs**" are those School-related project management, insurance, legal, recruiting and hiring fees, equipment expenses and other administrative costs incurred by or on behalf of the Board as reasonably necessary (which may be incurred prior to the execution of this Agreement) to obtain School approval or to open the School. The Board agrees to provide a detailed breakdown with the appropriate receipts for all such costs which will be subject to audit by K12. Start Up Costs paid by K12, if any, by or on behalf of the Board shall be invoiced and paid in accordance with Section 9.2. In no event shall K12 be obligated to cover Start Up Costs that exceed twenty-five thousand dollars (\$25,000), without K12's prior written approval.
- 5.6 School Audit and Financial Data. K12, in collaboration with the Board, will arrange for an independent audit of the School's financial statements. The Board shall have the sole discretion to reasonably reject any auditor proposed by K12. The cost of such audit shall be a School Expense.
- 5.7 School Expenses. The Board will be responsible for all debts, liabilities, and obligations incurred by or on behalf of the Parties for the School (collectively "**School Expenses**") during the Term of the Agreement. School Expenses shall be expenses for the benefit of the School years during the Term and shall be determined in accordance with the budget process set forth herein. School Expenses will be paid out of the School Revenues and shall include, but are not limited to, the following School-related costs:
- 5.7.1. Oversight fees to Sponsor, if any;
 - 5.7.2. Teacher and Student Support Staff salaries and benefits including related third party provider services such as payroll and benefit services;
 - 5.7.1. Teacher and Student Support Staff related expenses, including, without limitation, professional development, training related costs and other expenses;
 - 5.7.4 offices for administrative staff and related expenses;

- 5.7.5 related services expenses for Special Education Students and for 504 and ELL Students (as applicable);
- 5.7.6 proctored examinations, student test preparation and related costs of exam administration to include facilities, equipment and proctors;
- 5.7.7 school community relationship building;
- 5.7.8 direct mail, printing and related expenses for enrolled Students;
- 5.7.9 amounts due to K12 and its Affiliates, including interest on Advances and past due amounts;
- 5.7.10 supplemental curriculum and other academic services as agreed to by K12 in a written amendment to this Agreement;
- 5.7.11 reasonable legal fees for representation of the Board as it pertains directly to the School and not for legal representation or related expenses adverse to K12;
- 5.7.12 insurance including educator's legal liability insurance (also known as school leaders errors and omissions insurance), employment practices liability insurance, general liability insurance and other School/Board insurance coverage, as appropriate;
- 5.7.13 accounting and reporting not included in K12's Services including without limitation, payroll processing, audit, and/or tax preparation fees directly associated with the School;
- 5.7.14 use, sales, income, property or other taxes, if any;
- 5.7.15 fees for required background investigations of Board employees;
- 5.7.16 Facility and infrastructure related expenses; and
- 5.7.17 all other School related expenses approved in the budget per Section 5.3 (and its subsections), however, if any total School Expenses are, as reasonably known, going to be incurred at a variance of two percent (2%) or more above the budgeted amount, they must be pre-approved in writing by K12;

6. **TERM OF AGREEMENT.**

- 6.1 **Term.** The Agreement will become effective upon the date of full execution for the benefit of the Fiscal Year commencing on July 1, 2019 ("**Effective Date**") and will terminate on June 30, 2024 ("**Initial Term**") unless sooner terminated under Section 12. In the event the Sponsor and/or the Charter changes, this Agreement shall automatically survive and be performed in accordance with the new Charter, these terms and conditions and Applicable Law, unless this Agreement is otherwise terminated in accordance with Section 12.
- 6.2 **Renewal.** Following the Initial Term, this Agreement will automatically extend for successive additional periods of seven (7) year(s) (each period a "**Renewal Term**"), unless: (a) either Party provides the other with written notice of non-renewal at least two (2) years before the expiration of the then-current Initial Term or Renewal Term (as applicable); or (b) the Agreement is sooner terminated under Section 12. The Initial Term and any Renewal Terms will collectively mean the "**Term**".

7. FEES AND PAYMENT PRIORITY.

- 7.1 Administrative Oversight Compensation. From those State revenues of the School Revenues (for example, excluding federal pass-throughs, block grants, federal special education and other federal funding), the Board shall pay to the Sponsor, or the Sponsor may withhold, Three percent (3%) of such revenues (hereinafter “**Administrative Oversight Fee**”) to cover all administrative expenses, and other costs incurred that are associated with the Sponsor’s responsibility of supervising, reporting and overseeing the School’s quality, compliance, operational and financial performance in accordance with Applicable Law and the Charter.
- 7.2 Educational Product Prices. The Board shall pay K12 and its Affiliates for the Educational Products based on the then current national K12 Managed Virtual School Pricing for similarly situated, similarly branded schools (“**Product Price List**”). Notwithstanding anything in this Agreement to the contrary, for each Educational Product set forth in the Product Price List, the Board agrees that the fees for such Educational Products will be subject to change, no more than once per calendar year, at K12’s reasonable discretion and communicated to the Board during the annual budget process.
- 7.3 Administrative Services Fee. The Board agrees to pay K12 and its Affiliates fifteen percent (15%) of the School Revenues for the Administrative Services (the “**Administrative Services Fee**”) for each Fiscal Year of the Agreement.
- 7.4 Technology Services Fee. The Board agrees to pay K12 and its Affiliates seven percent (7%) of the School Revenues for the Technology Services (the “**Technology Services Fee**”) for each Fiscal Year of the Agreement.
- 7.5 Priority of Payments. The Administrative Oversight Fee shall be paid (or withheld) from the School Revenues and the remaining School Expenses shall be paid in the following order of priority: (1) Teacher and Student Support Staff salaries and benefits, including applicable payroll taxes, (2) all other remaining non-K12 related School Expenses with the exception of any Third Party Provider fees which shall be subordinate to K12’s fees, (3) Advances made by K12, (4) fees for Educational Products, (5) Administrative Services Fee and Technology Services Fee payable to K12 and its Affiliates, including any fees for administrative or technology products and services purchased by the School in addition to those enumerated in Exhibit A, (6) Balanced Budget Credits, if any, and (7) Third Party Provider(s).
- 7.6 Business Judgment. In its business judgment, the Board agrees that the economic arrangement including the Balanced Budget Credits and fees payable to K12 hereunder are reasonable, necessary, and fair compensation for the Educational Products and Services.

8. PERSONNEL MATTERS.

- 8.1 K12 Staff Assigned to the School. K12 will employ and determine the employment terms for personnel whose duties are primarily administrative, which may include a Head of School (“**HOS**”) or equivalent administrative staff position, and such other staff as K12 deems necessary to deliver the Educational Products and Services as described in this Agreement. Such administrative personnel may be assigned to the School on a full- or part-time basis. K12 will have the sole authority to select, supervise, compensate and determine compensation, evaluate, transfer, promote, discipline and dismiss its staff members.

- 8.2 Complaints About K12 Staff. If the Board is dissatisfied or concerned about the job performance of a K12 staff member assigned to the School, the Board shall discuss the matter first with the HOS or its equivalent. In the event the Board has a concern or is not satisfied with the HOS' job performance, the Board will provide K12 official written notice pursuant to this Agreement and set forth the specific issues and requested action with supporting documentation and K12 shall review such request and respond in a timely manner.
- 8.3 Teachers and Student Support Staff. The Board shall employ and be ultimately responsible for the Teachers and Student Support Staff which may include Guidance Counselor(s) and School Nurse(s). K12, however, will assist with recruiting, supervising and disciplining Teachers and Student Support Staff and making recommendations regarding the terms of employment, hiring and firing of Teachers and Student Support Staff. The terms of employment will be set by the Board in consultation with K12. Teachers and Student Support Staff shall be State licensed or possess the necessary credentials, qualifications, background and conduct checks all to the extent required by Applicable Law and/or the Charter.
- 8.4 Complaints About Student Support Staff. If K12 is dissatisfied or concerned about the job performance of any of the Board's staff assigned to the School, K12 will recommend disciplinary actions (up to and including termination) for prompt action by the Board, approval of which will not be unreasonably withheld.
- 8.5 Background Investigations on K12 Employees. As part of its Administrative Services, K12 will be responsible for criminal background checks to be conducted on its employees assigned to the School to the extent required under Applicable Law and will maintain documentary evidence that it has done so. Upon the Board's request, K12 will provide the Board with documentary evidence of its compliance of this Section 8.5, subject to any privacy restrictions or confidentiality requirements imposed by Applicable Law.
- 8.6 Background Investigations on Board Employees. The Board shall, or shall ensure that its professional employment organization ("PEO"), if any, conducts criminal background checks and ensures all applicable staff including Teachers, hold and maintain the necessary licensures to comply with Applicable Law for teaching each of the courses they are assigned. K12 shall assist the Board as necessary and appropriate to support this obligation, but will rely on the Board (or its PEO) to provide Teacher licensing rules and requirements and to ensure Teachers provide and maintain current licenses in an easily accessible and verifiable manner.
- 9. PAYMENT OF EDUCATIONAL PRODUCT AND SERVICE FEES.**
- 9.1 Invoicing and Payment of Fees. K12 will submit to the Board, a detailed invoice for the Educational Products and Services delivered for the prior calendar month. Any fees calculated as a percentage of School Revenue will be calculated based upon the approved budget (or subsequent updates) in effect for the applicable calendar month. These fees will be billed monthly for services rendered during the Term and shall be due and payable in accordance with Section 9.2.

- 9.2 Payment Date and Interest. All invoices payable to K12 and its Affiliates are due within thirty (30) days from the later of the receipt of the invoice or when the Board receives the funding applicable to the product(s) or service(s) invoiced (regardless if funding is received after the Term). Payment of each Advance is due thirty (30) days from the date the Advance is made. Except solely for amounts disputed in good faith pursuant to Section 9.6, if the Board fails to pay an invoice or repay any Advance when due, then in addition to any other remedies, K12 reserves the right to charge and the Board agrees to pay interest on the past due amount at the lesser of one and one-quarter percent (1¼%) per month or the maximum rate allowed by Applicable Law. All payments made hereunder will be made to K12 (or its designated Affiliate) by wire transfer to the account provided by K12 in writing, unless an alternative payment method is provided for in the K12 invoice.
- 9.3 Taxes. Except as otherwise stated herein, K12 is not responsible for any taxes or third-party charges related to the activities or the ownership or operation of the School. Without limiting the foregoing, the Board agrees to pay all sales, use, property, excise, value-added, or other similar taxes, if any, imposed by Applicable Law, except for taxes based on K12's income. For the avoidance of doubt, all fees for the Educational Products and Services set forth herein are exclusive of any taxes.
- 9.4 Year-End Adjustments. Within ninety (90) days after completion of the School's audited financial statements for each Fiscal Year, K12 will prepare and submit to the Board a statement and calculation of the total amounts of the Administrative Services and Technology Services Fees or other Service fees set forth in this Agreement (collectively "**Service Fees**") payable with respect to, and based on, the School's audited financial statements for such Fiscal Year. If the total amount of the Service Fees calculated in accordance with the foregoing sentence exceeds the total amount invoiced by K12 for such fees, K12 will submit an invoice for payment in accordance with Section 9.1. Overpayment of Service Fees, if any, will be applied to or against the next payment(s) or payment(s) otherwise due to K12 or any Affiliate, or if no payments are due, K12 shall refund the excess amount to the Board.
- 9.5 Payment Out of School Funds Managed by K12. Subject to School's expenditure authorization policy (as approved by the Board), K12 is authorized by the Board to act as a payment agent to pay School Expenses and to pay itself the fees set forth in this Agreement. All such expenditures will be paid out of the School's funds managed by K12.
- 9.6 Disputed Amounts. The Board shall notify K12 in writing prior to an invoice due date of any amount it disputes in good faith ("**Dispute Notice**"). The Dispute Notice shall detail the reasons for such dispute and the Board agrees to pay all undisputed amounts in accordance with Section 9.2. The Parties shall seek to resolve these disputed amounts in accordance with the dispute resolution provisions set forth in Section 22. Notwithstanding anything to the contrary in this Agreement, K12 may file suit in a court of competent jurisdiction to recover all past due amounts.
- 9.7 Non-Payment Remedies. If the Board fails to pay any amount for which a timely Dispute Notice is not received, then notwithstanding anything in this Agreement to the contrary, in addition to invoking any other legal or equitable rights available to K12, upon ten (10) days written notice to the Board, K12 reserves the right to: (i) suspend the provision of any or all of its Educational Products and Services offered hereunder; (ii) cease processing enrollments for any new School students; and/or (iii) terminate this Agreement at the end of the then-current school year or for the coming school year if such notice is provided to the Board no later than June 30. The Board shall be liable for costs incurred by K12 to collect any undisputed amounts due hereunder, including reasonable attorneys' fees, and no Balanced Budget Credits shall be issued by K12 to cover any such fees or any late fees due to K12.

10. **PARTIES' RELATIONSHIP.** K12 is not a division or any part of the Board. The Board is a body corporate authorized under State law, governed independently by its Board of Directors and is not a division or a part of K12. The relationship between the Parties was developed and entered into through arms-length negotiations and is based solely on the terms of this Agreement. The Parties are independent contractors. Nothing herein will be construed to create a partnership or joint venture by or between the Board and K12. Neither Party will be the agent of another except to the extent otherwise specifically provided by this Agreement where K12 is authorized to take action on behalf of the Board and School. The Board and their employees will in no case represent to third parties, and will whenever needed disclaim to such parties, any ability to bind K12 to any duty imposed by contract, other than this Agreement or as otherwise agreed in writing by K12.
11. **OTHER SCHOOLS.** The Parties acknowledge that K12 and its Affiliates will have the right to render similar services to other persons or entities including other public or private schools, institutions or districts within and outside of the State.
12. **TERMINATION.** Events of termination are as follows:
 - 12.1 **Termination for Cause.** The Parties shall use good faith efforts to resolve all disputes relating to this Agreement as set forth in Section 22; however, either Party may terminate this Agreement for cause at any time with ninety (90) days' prior written notice to the other Party. Termination for cause shall mean the breach of any material term or failure to fulfill any material condition, term, provision, representation, warranty, covenant or obligation contained in this Agreement, and a failure to cure such a breach within forty-five (45) days after receiving written notification from the terminating Party. Upon termination of this Agreement, the non-breaching Party shall be entitled to seek any remedies for which it would be entitled at law or in equity. Additionally, in the event the Board does not cure the material breach of this Agreement as set forth in this provision K12, in its sole discretion, may suspend the issuance of Balanced Budget Credits in lieu of terminating this Agreement.
 - 12.2 **Termination for Material Reduction in School Revenue.** K12 may terminate this Agreement in the event there is a material reduction in School Revenue and such reduction will materially increase the financial risk to K12 in providing the Educational Products and Services. K12 shall notify the Board of its intent to terminate under this provision and provide the Board thirty (30) days' notice so that the Parties may work together to find alternative funding or other means to offset the reduction in School Revenue. If the Parties are unable to find additional revenue or other means in the thirty (30) day time-frame, K12 may terminate this Agreement and such termination shall be effective: (i) immediately upon written notice by K12 to the Board, if notice or publication of such reduction is given at least ninety days (90) prior to the commencement of the school year to which such reduction is applicable; or (ii) at the end of the school year upon written notice to the Board if notice or publication of such reduction is given during the school year to which such reduction is applicable. In the event K12 elects not to terminate this Agreement in accordance with this provision, K12 may reasonably revise and determine the level of products and services to be provided in accordance with Applicable Law, considering any such funding reduction.
 - 12.3 **Termination Upon Loss of School Approval, Charter or Non-Profit Status.** This Agreement may be terminated immediately by either Party upon written notice to the other Party: (i) if the Sponsor provides written notice that it has terminated, revoked, or not renewed the Charter or if the Charter has not been authorized, or (ii) upon a final determination by the Internal Revenue Service that the Board is not eligible for 501(c)(3) status, or (iii) upon a final adverse determination by the highest court in the State that the School is no longer valid under law or its ruling has the effect of terminating the School. Such termination will be effective upon the date of the termination, revocation or non-renewal.

- 12.4 Termination for Failure to Approve Budget. In the event that the Board does not approve a budget or reasonable modifications to a budget within thirty (30) days following the submission of a proposal therefore by K12, K12 may terminate this Agreement effective at the end of the then-current school year in which the budget or reasonable modification is not approved, or if the lack of approval is for an upcoming school year that has not commenced, K12 may terminate this Agreement upon written notice prior to the commencement of the upcoming school year.
- 12.5 Termination in the Event of Certain Changes in the Charter or School Policies. K12 may terminate this Agreement effective immediately upon written notice to the Board in the event that the Charter is amended or the Board or the Sponsor adopts or amends a policy, in each case without the prior written approval of K12, and the effect of such amendment or policy could reasonably be determined to require K12 to increase materially the level of services required to be provided hereunder or to increase materially the financial risk to K12 arising from its performance of its obligations hereunder, thus rendering K12's performance economically unviable as determined by K12. In the event the Board or Sponsor adopts such an adverse policy in the middle of a school year, K12 agrees to use its best efforts to complete the then current school year without waiving any rights and remedies hereunder.
- 12.6 Change in Applicable Law. If any change in Applicable Law (other than those changes encompassed within Section 12.2) enacted after the date hereof could reasonably be expected to have a material adverse effect on the ability of any Party to carry out its obligations under this Agreement, such Party, upon written notice to the other Party (which notice may be given at any time following enactment of such change in Applicable Law, whether or not such change is effective on the date of such enactment or is effective at a later date), may request renegotiation of this Agreement. Such renegotiation will be undertaken in good faith. If the Parties are unable to renegotiate and agree upon revised terms within one hundred twenty (120) days after such notice of renegotiation, then this Agreement will be terminated effective at the end of the school year in which such notice was given, unless earlier termination is necessary to protect the health, welfare, or safety of students.
13. **TERMINATION EFFECTS.** Effects of termination are as follows:
- 13.1 Outstanding Payments Due. Except as otherwise agreed by the Parties in writing, termination does not relieve the Board of any obligations for payments outstanding to K12 as of the date of termination or other obligations that continue upon termination as provided in this Agreement.
- 13.2 Return of Equipment. Return of K12-provided equipment is mandatory. All K12 assets including, but not limited to, computers, printers, related equipment and non-consumable materials that may be provided by or on behalf of K12 are to be returned upon the expiration or termination of this Agreement, in accordance with the policies governing the use and reclamation of such materials. Nonetheless, any damages to such equipment and materials or unreturned equipment and materials will be invoiced to the Board at the Replacement Value. The Replacement Value is the cost to replace the equipment anew.
- 13.3 Balanced Budget Credits Outstanding. In the event this Agreement expires or is terminated, to the extent there are outstanding Balanced Budget Credits remaining, the Board shall fully exhaust the School's net assets to pay off the outstanding balance of Balanced Budget Credits, provided, however, if any Balanced Budget Credits remain after the School's net assets are fully exhausted, the remaining Balanced Budget Credits shall be fully forgiven. Notwithstanding the foregoing sentence, if the Parties enter into a subsequent agreement commencing on or about the end of the Term for substantially similar products and product related services, under substantially similar terms as this Agreement, the Balanced Budget Credits may not be forgiven, but will be treated in accordance with the new contract as mutually agreed by the Parties.

- 13.4 Fees Payable. In the event this Agreement terminates as provided for herein, or it expires pursuant to its terms, and unless otherwise agreed by the Parties in writing, the Board shall owe for all products and services rendered to include the Administrative and Technology Services Fees, Educational Products and Services in accordance with this Agreement for the period up to and including then current Fiscal Year of the termination or expiration. All such fees will be determined on an accrual basis per the School's audited financial statement up to and including the year in which this Agreement terminates or expires.
- 13.5 Loss of Value. The Board acknowledges and agrees that the subject matter of this Agreement is unique and that it would not be possible for K12 to resell the Educational Products or the Services that are the subject of this Agreement. In view of the difficulty in estimating K12's damages incurred, the Parties agree to the extent not precluded by Applicable Law, for the purposes hereof that K12's damages (in addition to those entitled under law or equity) shall be fifteen percent (15%) of the School Revenues in the Fiscal Year in which the Agreement is being terminated, due within thirty (30) days following date of such termination, if the Agreement is terminated because of the Board's actions or omissions unless said action or omission is in response to Applicable Law or direction which is not caused by the negligent action or omission or the willful misconduct of the Board, and except as action is taken by the Board to terminate this Agreement in accordance with Section 12.1.

14. INTELLECTUAL PROPERTY RIGHTS.

- 14.1 Proprietary Materials. K12 (and its Affiliates and respective licensors) owns all rights, title and interest in intellectual property, including, but not limited to, copyrighted works, curriculum, learning management systems, tangible and intangible education materials and instructional content, trade secrets, know-how, artwork, graphics, software, marketing materials and related documents, the School name, website design and domain numbers and names including those registered by K12 and/or for K12, its Affiliates and the School and other materials created for the School, and any and all customizations and derivative works thereof (collectively, "**K12 Proprietary Materials**").
- 14.2 Limited License to K12 Proprietary Materials. During the Term and for a period of thirty (30) days following the expiration or earlier termination of this Agreement, K12 hereby grants the Board a royalty-free, non-exclusive, non-transferable right and license to access, use and distribute the K12 Proprietary Materials solely in connection with the School operations as contemplated in this Agreement. Upon the termination of such license, the School will cease use of the K12 Proprietary Materials, and will promptly ensure the return of all non-consumable materials to K12 including those in the possession of the Board, School employees and Students.
- 14.3 Rights of K12 in K12 Proprietary Marks. The School acknowledges and agrees that, as between the Board and K12, K12 (and its applicable Affiliates) owns and shall maintain all intellectual property rights, title and interest, including any goodwill, in and to K12 and its Affiliate's trademarks, service marks, logos, trade dress and trade names including the School name(s), School logo(s) and related marks and trade dress and the K12 mark and K12 (& Design) as may be featured in Exhibit B and any customizations or derivatives therefore (collectively, "**K12 Proprietary Marks**"). The Board further acknowledges and agrees that it has no intellectual property interest or claims in the K12 Proprietary Marks or any other materials created for use in connection with the K12 Proprietary Marks and has no right to use the K12 Proprietary Marks except in the limited capacity as set forth in Section 14.4 or unless expressly agreed to in writing in advance by K12, which K12 may withhold in its sole discretion.

- 14.4 Sub-License of K12 Proprietary Marks. During the Term and for a period of thirty (30) days following the expiration or earlier termination of this Agreement, K12 hereby grants the School a royalty-free, non-exclusive, non-transferable sublicense to use the K12 Proprietary Marks relating to the School solely in connection with the operations of the School as contemplated in this Agreement. Notwithstanding the foregoing, the School will not be permitted to sublicense any rights under this Agreement without the advance written approval of K12, which approval may be withheld by K12 in its sole discretion. Upon the termination of such license, the School will cease use of the K12 Proprietary Marks.
- 14.5 Limitations on Use of K12 Proprietary Materials and K12 Proprietary Marks by School. The School will use the K12 Proprietary Materials and the K12 Proprietary Marks only as provided in this Agreement. Notwithstanding the foregoing license rights, the School shall not: (i) alter, disassemble, reverse engineer or modify the K12 Proprietary Materials or the K12 Proprietary Marks in any way, or permit any action that would impair the rights of K12 in them, (ii) sublicense any rights under this Agreement without the advance written approval of K12 (which may be held in K12's sole discretion) or (iii) frame any website owned by K12. The School's (and Students') authorized use will not create any right, title, or interest in or to the K12 Proprietary Materials or the K12 Proprietary Marks. K12 will have the right to monitor the quality of the School's use of the K12 Proprietary Materials and the K12 Proprietary Marks, and the School will notify K12 promptly in writing of any known infringement or of any use of K12's intellectual property by an unauthorized party. K12 and the School agree to reasonably assist each other in pursuing measures to prevent further use of K12's intellectual property by said unauthorized party. Any references to or use of the K12 Proprietary Materials or the K12 Proprietary Marks by the School will contain the appropriate trademark, copyright or other legal notice provided from time to time by K12 and the K12 Proprietary Marks will be subject to additional trademark usage standards developed by K12.
- 14.6 Established Rights. To the extent the Board has established any rights, title or interest in the K12 Proprietary Materials or K12 Proprietary Marks, the Board hereby assigns and transfers to K12, its successors and assigns, all of the Board's right, title and interest in and to such intellectual property, together with the goodwill of the business symbolized by any of the K12 Proprietary Marks and the right to sue and collect damages and/or profits for past infringements of the such marks. If the Board or its employees incorporate any of their respective intellectual property into the K12 Proprietary Materials, upon incorporation K12 shall be granted a perpetual, royalty-free, worldwide, non-exclusive right and license to use, distribute, modify and create derivative works from such intellectual property.
- 14.7 Publicity/Press Release. K12 may refer to and identify the School in a listing of new, representative, continuing or prior customers in press releases, on its website, or in other marketing materials or dissemination of information. The Parties may agree to cooperate in joint marketing activities or in issuing a joint press release at the request of either of them, subject to prior written consent and approval of the form and substance of both the School and K12.
- 14.8 License Audit. To the extent reasonably necessary and upon prior written notice, K12 may audit the School's use of the Educational Products and the School agrees to cooperate and provide reasonable assistance with such audit. The School agrees to pay within thirty (30) days of written notification, any fees applicable to the School's use of the Educational Products in excess of the license rights granted herein or K12 may revoke the related technical support and license(s).

15. LIMITS ON LIABILITY AND DAMAGES.

- 15.1 LIMIT OF LIABILITY. K12'S MAXIMUM LIABILITY AND OBLIGATION TO THE SCHOOL AND THE SCHOOL'S EXCLUSIVE REMEDY FOR ANY CAUSE WHATSOEVER, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING NEGLIGENCE, RELATING TO THIS AGREEMENT SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DIRECT DAMAGES UP TO THE AMOUNT OF FEES PAID UNDER THIS AGREEMENT IN THE PRIOR SIX (6) MONTHS.
- 15.2 CONSEQUENTIAL DAMAGES. EXCEPT IN CONNECTION WITH A PARTY'S INDEMNITY OBLIGATIONS EXPRESSLY SET FORTH HEREIN, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY LOST SAVINGS, LOST PROFITS, LOST SALES, BUSINESS INTERRUPTIONS, DELAY DAMAGES, DAMAGES FOR THIRD PARTY CLAIMS, LOST OR DESTROYED DATA, EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NEITHER OCCASIONAL SHORT-TERM INTERRUPTIONS OF SERVICE OR PRODUCTS, WHICH ARE NOT UNREASONABLE UNDER COMPARABLE INDUSTRY STANDARDS NOR INTERRUPTIONS OF SERVICE OR PRODUCTS RESULTING FROM EVENTS OR CIRCUMSTANCES BEYOND K12'S REASONABLE CONTROL SHALL BE CAUSE FOR ANY LIABILITY OR CLAIM AGAINST K12 HEREUNDER, NOR SHALL ANY SUCH OCCASION RENDER K12 IN BREACH OF THIS AGREEMENT.

16. INDEMNITY.

- 16.1 Indemnification of the Board. K12 will indemnify, defend, and hold harmless the Board and all of its employees, officers, directors, trustees, subcontractors and agents (collectively ("**Board Indemnitees**") from and against all claims, demands, suits, or other forms of liability including without limitation costs and reasonable attorneys' fees (each a "**Claim**") that may arise out of, or by reason of, any: (a) breach of any expressed representation or warranty, covenant or agreement made or to be performed by K12 pursuant to this Agreement, (b) noncompliance by K12 with any Applicable Law in connection with the School's operations, but excluding any Claims that arise from conduct undertaken in accordance with the Sponsor's, the Board's or the Board Indemnitees' instructions, procedures or written policies, except where such instructions arise from and are in accordance with explicit recommendations formally provided by or on behalf of K12, and (c) act or omission of K12 or K12 Indemnitees (defined below) in connection with School's operations that results in injury, death, or loss to person or property, except to the extent any Claims arise out of actions or omissions of the Board, the Board Indemnitees or the Sponsor. K12 and its Affiliates shall not be liable for any Claims related to the enrollment, placement and provision of services to any Students with special education, ELL or 504 needs, except to the extent caused by K12 and its Affiliates.

16.2 Indemnification of K12. The Board will indemnify, defend, save and hold K12 and its Affiliates and all of their respective employees, officers, directors, subcontractors, and agents and their respective successors and permitted assigns (collectively “**K12 Indemnitees**”), harmless against all Claims that may arise out of, or by reason of, any: (i) breach of any expressed representation or warranty, covenant or agreement made or to be performed by the Board (or its designees) pursuant to this Agreement, (ii) noncompliance by or on behalf of the Board with any Applicable Law in connection with School’s operations, (iii) act or omission of the Board or Board Indemnitees in connection with the School’s operations that results in injury, death, or loss to person or property except to the extent any Claims arise out of actions or omissions of K12 or K12 Indemnitees, and (d) for any Claims that are related to the Board’s (or its designees’) action or inaction with respect to the enrollment, placement and provision of services to any Students with or seeking special education, ELL or 504 needs, except to the extent caused by K12 or its Affiliates.

16.3 Indemnification Procedures

16.3.1. Notice Requirement. Each party seeking indemnification hereunder (“**Indemnified Party**”) must give written notice to the other Party charged with indemnifying hereunder (“**Indemnifying Party**”) of the existence of a Claim promptly after the Indemnified Party first receives notice of the existence of the potential Claim; provided, however, the Indemnified Party will not be foreclosed from seeking indemnification hereunder by any failure to provide such prompt notice, except and only to the extent the Indemnifying Party is materially prejudiced as a result of such delay.

16.3.2. Defense and Settlement of Claims. The Indemnified Party will permit the Indemnifying Party (at the expense of the Indemnifying Party) to assume the defense of any Claim, provided that counsel for the Indemnifying Party who will conduct the defense must be reasonably satisfactory to the Indemnified Party. The Indemnified Party shall cooperate in the defense. At its own expense, the Indemnified Party may also assist in the defense and may assert other defenses or counterclaims, to the extent a conflict of interest between the Parties is not created, provided the Indemnified Party does not settle any Claims without the prior written consent of the Indemnifying Party. Any settlement that would admit any liability on the part of the Indemnified Party shall require such Indemnified Party’s prior written consent.

17. ASSIGNMENT. Except as otherwise provided in this Agreement, neither Party may assign or delegate any rights or obligations under this Agreement without the prior written consent of the other Party, provided, however, K12 may assign its rights and obligations under this Agreement to any Affiliate, acquirer, or successor in interest to the extent not otherwise expressly prohibited by Applicable Law. K12 may delegate the performance of its duties hereunder to any person, contractor or entity, but K12 shall be responsible for the performance, in accordance with the terms of this Agreement, of any services performed by its delegees.

18. INSURANCE.

18.1 Liability Coverage. Each Party will initiate and maintain during the Term, at its own expense, general liability insurance (including contractual liability insurance to cover the respective indemnification obligations herein) for not less than \$5,000,000 (combined single limit for bodily injury and property damage per occurrence and in the aggregate). The School will initiate and maintain during the Term and for two (2) years thereafter, employment practices liability insurance and school leaders/educators’ legal liability/errors and omissions (or similar) insurance, each in limits of no less than \$1,000,000 per claim/aggregate. K12 will initiate and maintain during the Term and for two (2) years thereafter, employment practices liability insurance and errors and omissions insurance, each in limits of no less than \$1,000,000 per claim/aggregate. All such insurance policies shall be placed with reputable and

financially secure insurance carriers with A.M. Best & Co. ratings of no less than A-. Within thirty (30) days after the Effective Date and annually thereafter, each Party's required insurance (excluding E&O insurance) will include the other Party (and their Affiliates and respective directors, officers, employees and contractors (each as applicable)) as additional insureds. Each Party's general liability and contractual liability insurance will be written to cover claims incurred, discovered, manifested, or made during or after the Term.

- 18.2 Evidence of Insurance. Each Party will furnish a certificate of insurance evidencing such coverage to the other Party within seven (7) days of written request by a Party. The Parties will endeavor to provide thirty (30) days' advance written notice to the other Party of any cancellation or material adverse change, including impairment of the limit of liability by twenty-five (25%) or more, to such insurance.
- 18.3 Insurance Coverage No Limitation on K12's Rights. A Party's insurance will be its primary coverage and any insurance the other Party may purchase shall be excess and non-contributory for all Claims directly related to actions or omissions of the said covered Party. The minimum amounts of insurance coverage required herein will not be construed to impose any limitation on a Party's indemnification obligations expressly set forth herein.
- 18.4 Workers' Compensation Insurance. Both Parties will initiate and maintain workers' compensation insurance for its respective employees working at or for the School, as required by Applicable Law.
- 18.5 Cooperation. All Parties will comply with any information or reporting requirements required by the other Party's insurer(s), to the extent reasonably practicable.

19. REPRESENTATIONS AND WARRANTIES.

- 19.1 Representations and Warranties of K12. K12 hereby represents and warrants to the Board:
 - 19.1.1 Organization and Good Standing. K12 is a company duly organized, validly existing, and in good standing under the laws of the State of Delaware.
 - 19.1.2. Power and Authority; Authorization; Binding and Enforceable Agreement. K12 has full limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder.
 - 19.1.3. Professional Services. K12 warrants that the Services will be performed in a professional and workmanlike manner in accordance with commercially reasonable industry standards, and deliverables, if any, will materially comply with the agreed upon functional specification set forth as applicable in Exhibit A, if used in a manner consistent with the conditions for which it was designed. THE FOREGOING WARRANTIES MADE BY K12 IN THIS SECTION (AND ITS SUBSECTIONS) ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND K12 AND ITS AFFILIATES MAKE NO GUARANTEES AS TO THE RESULTS OR ACHIEVEMENTS OF THE STUDENTS. WITHOUT LIMITING THE FOREGOING, K12 MAKES NO GUARANTEES AND SHALL NOT BE LIABLE FOR NON-ACCESSIBILITY OF THE K12 WEBSITE, END-USER CONNECTION SPEED OR CONNECTIVITY PROBLEMS.
 - 19.1.4. Non-Conformities. The foregoing warranties shall not apply to defects or non-conformities: (a) resulting from software, hardware or interfacing not supplied by K12, its Affiliates or authorized contractors; or (b) resulting from inadequate or improper maintenance, modification, storage or usage of the K12-provided materials by the School, its employees or Students. In addition, the

foregoing warranty shall not apply to requirements not expressly included in this Agreement.

19.2 Representations and Warranties of the School. The School hereby represents and warrants to K12:

19.2.1. Organization and Good Standing. The School is a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State.

19.2.2. Power and Authority; Authorization; Binding and Enforceable Agreement. The Board has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

19.2.3. Authority Under Applicable Law. The Board has the authority under Applicable Law to: (i) contract with a management company to obtain the Educational Products and Services and all other programs under this Agreement; (ii) to execute, deliver, and perform this Agreement; and (iii) to incur the obligations provided for under this Agreement.

19.2.4 Non-Contravention. The execution, delivery and performance of this Agreement by the School will not constitute, under any other agreement, note, lease, or other instrument to which the School or the Board is a party or by which it or any of its assets is bound, any violation, breach or event of default by the School or Board or any other party thereto.

19.2.5. Provision of Authority to K12. The Board has provided and will provide K12 with all authority and power necessary and proper for K12 to undertake its responsibilities, duties, and obligations provided for in this Agreement.

19.2.6. Charter Enforceability and Renewal. The Charter is in full force and effect and constitutes a valid and binding obligation of each party thereto, enforceable in accordance with its terms. The School has delivered a true and complete copy of the Charter (and the Sponsor agreement(s) and MOU's, if any) to K12. The School will use best efforts to: (a) maintain the Charter in full force and effect during the Term and, (b) to renew the Charter prior its expiration with assistance from K12 which such assistance shall only be provided if this Agreement is in full force and effect for the term of the renewal period of the Charter.

19.2.7. Certain Provisions of the Charter. The Charter will, when approved, authorize the Board to operate the School and receive the federal, state and local education funds identified in this Agreement, as well as other revenues, and otherwise vests the Board with all powers necessary and desirable for carrying out the School operations and other activities contemplated in this Agreement.

20. **OFFICIAL NOTICES.** All notices and other communications required under this Agreement will be in writing and sent to the Parties to the addresses below, which may be changed upon proper written notice. Notice may be given by: (i) first class U.S. mail postage prepaid, (ii) reputable overnight carrier postage prepaid, or (iii) personal delivery (with written receipt confirming such delivery). Notice will be deemed to have been given three business days after mailing as described in clauses (i) or (ii) of the foregoing sentence or on the date of personal delivery. Electronic mail does not constitute official notice under this Agreement, however, courtesy copies of notices may be sent via e-mail. The addresses of the Parties are as follows:

For the Board:	With a Copy To:
	Amy Goodson, Esquire Goodson Law 288 South Munroe Rd. Tallmadge, OH 44278

	(330) 962.6776 Amy@AmyGoodsonLaw.com
For K12:	With a Copy To:
K12 Virtual Schools LLC ATTN: EVP, School Management and Service 2300 Corporate Park Drive Herndon, Virginia 20171 Phone: 703-483-7000 Email:	K12 Inc. ATTN: General Counsel 2300 Corporate Park Drive Herndon, Virginia 20171 Phone: 703-483-7000 Email: legaldepartment@k12.com

21. NON-SOLICITATION/NON-HIRING.

- 21.1 Non-Solicitation. Each Party agrees that during the Term of this Agreement and for a period ending twelve (12) months after the expiration or termination of this Agreement for any reason, unless mutually agreed by the Parties in writing, a Party will not directly solicit, recruit for employment, offer employment to, offer subcontracting opportunities to, or otherwise employ or use the services of any employees of the other Party or their related companies if that employee or former employee had been assigned to or worked under this Agreement.
- 21.2 Unpermitted Solicitation/Hiring Remedies. In the event of such unpermitted use or engagement by a Party or its related company of such consultant or employee whether directly or indirectly, in contravention of the clause immediately above, the other Party, at its option, may seek receipt of a sum equivalent to one hundred percent (100%) of that employee’s base starting salary with the new employer, or seek any legal or equitable relief against such actions including, but not be limited to, immediate injunctive relief in any court of competent jurisdiction. The Board acknowledges and agrees that no Balanced Budget Credits shall be issued by K12 to cover any penalty, damages or other relief owed by the Board upon a violation of this provision.
- 21.3 Solicitation Exceptions. For the avoidance of doubt, newspaper, periodical or Internet-based listings of employment opportunities by a Party shall not be considered direct or indirect solicitation of an employee of the other Party; however, such Party shall continue to be precluded from engaging or otherwise using a Party’s employee, former employee or consultant as provided for in Section 21.2.

22. DISPUTE RESOLUTION, VENUE AND GOVERNING LAW.

- 22.1 Dispute Resolution Procedure. The Parties agree that they will attempt in good faith to settle all disputes arising in connection with this Agreement amicably in the ordinary course of business up to the Board President for the School and the Executive Vice President (or their designee) for K12. If a dispute is not resolved in the ordinary course of business, the aggrieved Party may proceed to arbitration and/or invoke other remedies in accordance with this Agreement.
- 22.2 Arbitration. If the Parties are unable to resolve the dispute pursuant to the Section immediately above, the Parties hereby agree to proceed to mandatory binding arbitration in Fairfax County, Virginia, pursuant to the then existing rules of the American Arbitration Association. Except as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Parties. Judgment upon the award rendered shall be final and binding and may be enforced by any state or federal court with competent jurisdiction over the arbitrated matter. Each Party will bear its own costs and expenses associated with the dispute resolution procedures set forth in this Section except that the Parties will share equally any fees payable to a professional arbitrator.

- 22.3 Injunctive Relief. Notwithstanding the foregoing dispute resolution procedures, the School acknowledges that in the event it breaches any of K12's intellectual property rights, K12 may suffer irreparable harm in which the full extent of damages may be impossible to ascertain and monetary damages may not be an adequate remedy. In its sole discretion, K12 may seek immediate judicial relief as available in law or equity. K12 will be entitled to enforce its intellectual property rights under this Agreement by an injunction or other equitable relief without the necessity of posting bond or security, in addition to its right to seek monetary damages or any other remedy. The decision by K12 not to seek judicial relief during the agreed dispute resolution procedure, will not create any inference regarding the presence or absence of irreparable harm.
- 22.4 Governing Law. The laws of the Commonwealth of Virginia without regard to its conflict of laws provisions will govern this Agreement, its construction, and the determination of any rights, duties, and remedies of the Parties arising out of or relating to this Agreement.
23. **FORCE MAJEURE**. Notwithstanding any other provisions of this Agreement, no Party will be liable for any delay in performance or inability to perform (except for payments due hereunder) due to acts of God or due to war, riot, terrorism, civil war, embargo, fire, flood, explosion, sabotage, accident, labor strike, Internet outage or other acts beyond a Party's reasonable control and unrelated to its fault or negligence.
24. **COORDINATION, EXERCISE OF APPROVAL OR CONSENT RIGHTS**.
- 24.1 Coordination and Consultation. The Parties will coordinate the performance of their respective activities hereunder and will establish such procedures as they shall mutually agree to be effective for achieving the purposes of this Agreement and allowing each of them to perform its obligations and exercise its rights under this Agreement. Without limiting the generality of the foregoing, K12's legal counsel and the School's legal counsel will consult from time to time with respect to the requirements of Applicable Law, the Charter, and the Board's and the Sponsor's policies as they relate to the Board's operations, provided, however, no such consultation shall be construed as providing legal advice to the other Party.
- 24.2 Approval or Consent Rights. In performing services and its other obligations under this Agreement, or in exercising its rights under this Agreement, including granting or withholding any consents or approvals or making any requests of the other Party, each Party must act reasonably (including as to the timing of its actions) except to the extent that this Agreement provides that it may act as it determines "in its sole judgment" or "its sole discretion," or words to that effect, in the applicable provision. Whenever it is provided in this Agreement that the Parties will or may agree as to a certain matter, each Party will have the right to agree or disagree in its sole discretion following good faith discussion.

25. MISCELLANEOUS.

- 25.1 Entire Agreement. This Agreement including its attachments hereto constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all previous and contemporaneous oral and written negotiations, commitments, agreements, warranties, representations and understandings. This Agreement will not be altered, amended, modified, or supplemented except in a written document executed by the Parties.
- 25.2 Counterparts, Facsimile or PDF Transmissions. This Agreement may be executed in counterparts, each of which will be deemed an original, but both of which will constitute one and the same instrument. Each Party may rely on facsimile or PDF signature pages as if such facsimile or PDF pages were originals.
- 25.3 Amendment. This Agreement will not be altered, amended, modified, or supplemented except in a written document executed by the Parties.
- 25.4 Waiver. No waiver of any provision of this Agreement will be effective unless in writing, nor will such waiver constitute a waiver of any other provision of this Agreement, nor will such waiver constitute a continuing waiver unless otherwise expressly stated.
- 25.5 Interpretation. The Parties hereto acknowledge and agree that the terms and provisions of this Agreement, will be construed fairly as to all Parties hereto and not in favor of or against a Party, regardless of which Party was generally responsible for the preparation of this Agreement
- 25.6 Severability. In the event any term, provision or restriction is held to be illegal, invalid or unenforceable in any respect, such finding shall in no way affect the legality, validity or enforceability of all other provisions of this Agreement. To the extent that any of the services to be provided by K12 are found to be overbroad or an invalid delegation of authority by the Board, such services will be construed to be limited to the extent necessary to make the services valid and binding.
- 25.7 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.
- 25.8 No Third-Party Rights. This Agreement is made for the sole benefit of the Board and K12 and their respective successors and permitted assigns. Except as set forth in Sections 14 and 16 and except for each Affiliate of K12, which shall be a third party beneficiary of this Agreement, nothing in this Agreement will create or be deemed to create a relationship between the Parties to this Agreement, or any of them, and any third person, including a relationship in the nature of a third-party beneficiary or fiduciary.
- 25.9 Survival of Termination. All representations, warranties, and indemnities expressly made in this Agreement will survive termination of this Agreement.
- 25.10 Headings and Captions. The headings and captions appearing in this Agreement have been included only for convenience and shall not affect or be taken into account in the interpretation of this Agreement.

IN WITNESS WHEREOF, the Parties' authorized representatives, having been duly authorized to execute this Agreement which constitutes a valid and legally binding obligation of the Parties, have entered into this Agreement as of the date set forth below.

For and on behalf of

For and on behalf of

OHIO DIGITAL LEARNING SCHOOL

K12 VIRTUAL SCHOOLS LLC

Signed: _____

Signed: _____

Name: _____

Name: _____

Position: _____

Position: _____

Date: _____

Date: _____

EXHIBIT A

Educational Products and Services

I. Educational Products and Product-Related Services. During the Term, K12 and its Affiliates will provide or cause to be provided to the Board for the School and its Students and its personnel the Educational Products and product-related services in accordance with the fees published on the then current Product Price List provided to the Board. The Educational Products to be provided in accordance with the terms of the Agreement, as K12 determines in its reasonable discretion are as follows:

A. Online School. For each school year during the Term, K12 will provide a license for and access to proprietary and licensed: (i) curriculum and a learning management system for grades 9 through 12, in each case in Language Arts, Math, Science and History in addition to electives per the K12 course catalogue; and (ii) third party curricula K12 generally offers its managed virtual schools, in each case for such courses required by Applicable Law.

B. Instructional Tools and Materials. Instructional tools and supplies, including without limitation textbooks and multi-media teaching tools. K12 shall identify which materials are durable and must be reclaimed and such materials must be returned as set forth in Section 13.2. K12 will provide instructions and pre-paid shipping materials and labels to facilitate the return of these materials.

C. Instructional Support. K12 will make available the necessary instructional support as mutually agreed upon in accordance with the Product Price List as the School may require for the Educational Products and related offerings.

D. Computers. K12 may provide or cause to be provided computers, monitors, software and other hardware as K12 determines in its discretion to be necessary to deliver the curriculum and as agreed to in writing by K12 during the budgeting process. All such equipment shall be promptly returned to K12 upon a Student's withdrawal or upon expiration or termination of this Agreement as set forth in Section 13.2. K12 will provide instructions and pre-paid shipping materials and labels to facilitate the return of these materials.

E. Testing Support. During the Term, as agreed upon by the Parties K12 may provide, or cause to be provided to the School, equipment, logistics and technical support and related services to assist with State required online testing of Students ("**State Testing**") as reasonably necessary. Invoices for State Testing equipment and personnel provided to the School will be issued after each testing cycle in accordance with the annual School State Testing Price List. State Testing may include:

1. Site Surveys: K12 will physically validate facilities for testing sites and will notify the School if proposed facilities are found unsuitable. In all rooms where assessments will be administered mobile lab technology will be simulated and tested to include ISP signal quality measurements; optimal placement of network devices will be documented and primary and secondary networks will be identified and deployed as needed.

2. Technical Point of Contact: K12 will provide a technical point of contact to support the School with the State Testing.

3. Onsite Support: Onsite support including set up and tear down of equipment provided as reasonably required by technicians (with national criminal records background check), however, School teachers must be present when onsite tech is in proximity of Students.

4. Troubleshooting. Site monitoring and PC troubleshooting to be provided onsite and/or remote as reasonably required.

II. Administrative Services. During the Term, K12 and its Affiliates will provide or cause to be provided to the School the Administrative Services. Notwithstanding the forgoing, no Services shall be provided for the purpose of benefiting the Board, the School or any personnel or students for any School year beyond the Term. The Administrative Services to be provided in accordance with the Agreement, as K12 determines in its reasonable discretion are as follows.

A. Educational School Consulting. Propose and implement educational goals, methods of pupil assessment, school policies, school calendar, school day schedule, and age and grade range of pupils to be enrolled in the School. K12's recommendations for the School will be consistent with the Agreement, Applicable Law and the Charter.

B. Contracted Personnel and Support Services. Supervision of all personnel providing Educational Products and Services. Provide support services to include management of School employees including recruiting assistance and hiring recommendations; provided, however the Board's staff or its PEO shall be responsible for performing all reference, certification and background checks and other related services on its personnel and for performing payroll functions or securing of payroll services; negotiation, securing and management of health, retirement and other benefits all of which shall be the Board's or its PEO's responsibility. K12 will work with the Board's staff and its applicable PEO to recommend human resources policies, bonus plans, and strategic plans for staffing, development, and growth. K12 will also provide teacher performance evaluation models to the Board for its employees and recommend and, if approved, carry out effective ways to measure teacher performance in a virtual setting.

C. Pupil Recruitment-Related Services:

1. Pupil Recruitment. Recruitment of students in K12's and its Affiliates discretion, including creation, design and preparation of recruitment materials and advertisements; assistance with information sessions and other events via mail, e-mail, print, radio, television, and outdoor advertising. Additionally, recruitment includes designing school recruitment materials, letterhead, business cards, and logos to create school identity and developing, designing, and maintaining the School website. Recruiting campaigns undertaken may be general awareness or combined campaigns, launched to inform potential students about the School and/or K12 and its Affiliate's programs (including K12 partner schools and programs) in the local area. Information that K12 obtains with respect to leads generated including, but not limited to, statistics, trends and contact information shall be owned by K12 (and its Affiliates).

2. Admissions. Implementation of the School's admissions policy, including management of the application and the Student enrollment process. Communicating with potential students and their families and conducting a random lottery if required.

3. Family Services. Plan and arrange school orientation sessions. Assist with the design and implementation of parent orientation sessions. Field and respond to incoming calls, letters, faxes, and e-mails received by K12 about the School, its curriculum, the application/enrollment process, instructional materials, etc. Maintain a parent manual and/or student handbook. Conduct exit interviews with select Students and their parents who withdraw in order to learn more about how to improve the program for Students.

4. School Feedback. Obtain feedback on how to improve the School and curriculum, as appropriate. Create methods for Students, their parents, and teachers to submit comments and suggestions; implement improvements where K12 deems them to be valuable.

5. Student Clubs and Contests. Access to monitored, private, virtual social clubs for Students. Clubs meet monthly and are formed based on Student feedback on their interests. K12 also

provides access to participation opportunities in nationwide art, poetry and craft contests. Access to both Student clubs and contests is voluntary and is open to all Students.

6. High School Services: As requested and as available, K12 may offer counseling tools for high school Students where such students will have access to various counseling tool(s) to support college, career planning and exploration. These tools and related offerings are described as follows:

- a) National and local counseling efforts are buttressed by an online college and career planning platform that helps students organize and plan their futures. This tool helps students keep track of their high school coursework, log extracurricular activities/work hours, and set goals and strategies for achieving those goals. Further, this tool provides values, skills, and interest assessments to help direct students toward professional fields in which they are inclined while also offering a robust college search engine, allowing students to compare colleges across many different facets. Finally, this tool assists students in managing their college applications and searching for scholarships.
- b) Nationally, K12 offers virtual sessions that aid in helping students recognize the importance of high school performance and post-secondary education planning. K12 exposes students and their parents to a multitude of pathways including attendance at a four-year college or university, community college, vocational/technical college, military, and civilian service opportunities. K12 offers career exploration sessions presenting adults who are professionals across a variety of career clusters. K12 provides college application and admissions sessions covering various types of colleges, components of college applications, and strategies for crafting a competitive application.
- c) Additionally, during the school year, students can take advantage of college and career-focused teacher-led virtual clubs and during the summer K12 offers college and career-focused virtual camps.
- d) The K12 High School Business Unit provides support for different high school models by working with schools to create offerings and programs that match the needs of various student populations.

D. Insurance. Assist the Board with obtaining general liability insurance or other insurance required with a reputable carrier in accordance with this Agreement, the Charter, (the Lease if applicable) and Applicable Law.

E. Facility Management. As may be applicable, help identify location of the Board's initial or supplemental office Facility(ies) for the School. Together with Board's attorney and designees, assist with negotiating and approving leases, leasehold improvements and lease amendments in accordance with the School budget.

F. Business Administration. Administration of business aspects and day-to-day management of School operations to include the following:

1. Consultation, and services as liaison for the Board with the Sponsor, and other governmental offices and agencies.
2. Consultation and advice regarding special education programs, processes, support services and reimbursements.
3. Consistent with other provisions of the Agreement, provide school administrative staff as appropriate.
4. Work with Board's counsel, if any, on legal matters affecting the School.

5. Preparation of forms, operations manuals, handbooks, guides, and policies and procedures as necessary or required by the Charter or Sponsor.
6. Consultation with respect to, and monitoring and oversight of, State reporting systems.
7. Assist School in identifying and applying for grants and other funding opportunities.
8. Assist with the administration of federal entitlement programs (e.g., Title I, I.D.E.A.).
9. Arrange contracts with school districts, education services centers, and professional service providers for special education, testing, and other support services on the School's behalf, where such contract shall be subject to Board approval.
10. Establish and implement policies and procedures to maintain proper internal controls.
11. Provision of regulatory compliance services, including responses to audits.

G. Budgeting and Financial Reporting. Assistance with finance-related administrative duties to include the following:

1. Preparation of a proposed annual budget for the School, including projected revenues, expenses and capital expenditures. The School budget and subsequent modifications shall be adopted in accordance with the process set forth in the Agreement.
2. Upon the Board's request as frequently as monthly, K12 will prepare and submit reports on the School's finances, including detailed statements of all revenues received by the School (from whatever source) and direct expenditures for Services rendered to the School, in addition to those financial reports required by Applicable Law or the Charter as well as provide the Board with such other information as reasonably necessary and appropriate to enable the Board to monitor performance under the Charter and related agreements, including the effectiveness and efficiency of the School's operations. Requests must be made in writing and the foregoing information will be delivered solely provided that the Board or its employees or other third parties have given K12 all necessary and current data needed for such reports (as reasonably requested by K12), including, but not limited to, relevant audit findings, Board expenditures and funding detail.
3. Subject to any confidentiality obligations imposed on K12 by third parties, provide to the School or the Sponsor such other information either required by the Sponsor or the School within a reasonable time following a written request thereof.
4. To the extent applicable, assist in the preparation of required non-profit filings, including form 990 tax returns. Notwithstanding the foregoing, K12 will not be responsible for filing School's Form 1023, but will work with Board's counsel and/or accountant to prepare the application for tax-exempt status, as necessary.

H. Financial Management. Assistance with financial management to include the following:

1. In accordance with School's expenditure authorization policy, K12 will, within commercially reasonable periods of time or as required by any agreement governing same, make payment for all School Expenses, out of the School funds managed by K12.
2. All School Revenues will be maintained in an account(s) belonging to the School over which designated representatives of K12 will have signature authority as approved by the Board. The Board will immediately transfer to such account(s) all School Revenue received by the School from any source, as well as any contributions received by the School.
3. Perform necessary planning, forecasting, accounting and reporting functions as appropriate.
4. Assist and coordinate in any third-party audit(s) of the School.

I. Maintenance of Financial and Student Records

1. K12 will maintain and keep the records and books of the School at the Facility. K12 may maintain electronic or paper copies of records and provide other services elsewhere, unless prohibited by Applicable Law. The School recognizes and agrees that for purposes of the Family

Educational Rights and Privacy Act and the State open records act, K12 has a legitimate educational interest for purposes of the Board disclosing to K12 the School student's educational records.

2. K12 will maintain financial records pertaining to the operation of the School and will retain all such records for a period of seven (7) years (or longer if required by Applicable Law) from the close of the Fiscal Year to which such books, accounts, and records relate.

3. K12 will maintain student educational records pertaining to students enrolled in the School in the manner required by Applicable Law and retain such records on behalf of Board at the Facility until this Agreement is terminated, at which time such records will be retained by and become the sole responsibility of Board.

4. Ensure accessibility of School educational records to the Board, its independent auditor and the State for completion of audits required by Applicable Law. The Parties understand that all School-related financial and Student educational records are the property of School.

J. Student Discipline. Provide necessary information and cooperate with School on the handling of all student disciplinary matters, including without limitation attendance and truancy matters. K12 will recommend policy and procedures for School adoption consistent with Applicable Law.

K. Annual Reports to Sponsor. Create, design, and arrange for publication and dissemination of an annual report regarding the School.

L. Teacher Effectiveness and Training. Develop new teacher training and ongoing professional development for teachers. Develop and maintain the K12 Teacher Handbook. Host ongoing teacher professional development sessions throughout the school year for new and returning teachers.

M. Sponsor Policies and Charter Renewal. Assist the Board in complying with all applicable Sponsor policies as reasonably interpreted to apply to the School. Assist the Board with drafting the School's Charter renewal application, including working with the Board to develop any necessary budgetary and curriculum information. Prepare Board members to present and defend the School's Charter renewal application before the Sponsor.

N. Instructional Property Management. Prepare and submit to the Board (or its designees) proposed policies and procedures regarding the responsible use of equipment and other instructional property. Arrange for the distribution and re-shipment or return (as necessary) of equipment for families, administrators, and teachers, to the extent provided by or on behalf of K12 as agreed in writing during the budget process.

O. Grants and Donations. On behalf of the Board, K12 may solicit and receive grants and donations for the School from public funds through competitive or non-competitive processes, and private sources consistent with the School's objectives; provided, however, that any solicitation of such grants and donations by K12 will be subject to the approval of the School and such fund shall be used as designated.

P. Additional Administrative Services. Any other services as agreed to in writing by the Parties from time to time.

III. Technology Services. During the Term, K12 and its Affiliates will provide or cause to be provided to the Board for the School the technology services (the “**Technology Services**”) described below. Notwithstanding the forgoing, none of the Technology Services shall be provided for the purpose of benefiting the School or any personnel or students for any school year beyond the expiration or earlier termination of this Agreement.

- A. 24-7 monitoring of production services, i.e., SIMS and the on-line learning management system;
- B. Monitor and analyze system data, to fix production issues as they may arise;
- C. Generate reports on pupil academic performance, attendance and progress;
- D. Seek and secure competitive pricing and centralized purchase discounts for computers, monitors, printers, software and other peripherals for the Charter School;
- E. Train school staff, as deemed appropriate and necessary, on technology systems;
- F. Develop, design, publish, and maintain the School’s interactive website;
- G. Install and maintain the School’s computer network;
- H. Generate reports;
- I. Develop community tools on the School’s website and K12 platform (including moderation functionality, directories, etc.);
- J. Determine hardware configurations (including software and operating systems) for the School’s technology needs;
- K. Provide onsite and telephone support for the School administration in troubleshooting system errors, and telephone support for students;
- L. Propose for the School adoption policies and procedures regarding the responsible use of computer equipment and other School property;
- M. Support teachers and School care associates in answering technology-related questions from students, parents, teachers, and administrators;
- N. Install software to generate master image of computer configurations for teachers, administrators, and students in order to standardize the user experience and lower costs and turn-around time for implementation and troubleshooting;
- O. Ensure electronic security of student records (through the use of encryption, firewalls, etc.);
- P. Provide a Web-filtering device to ensure that students do not have access to inappropriate materials on the Internet;
- Q. Prepare for, supervise, and implement all system roll-overs at the end of each academic year;
- R. Design and implement inventory management systems with the School’s distribution and hardware vendors, as well as reclamation programs, as needed;
- S. Provide online enrollment, registration and placement services;
- T. Provide school email accounts for school employees;
- U. Provide School care and technology support services on the learning management system, computer and software issues;
- V. Oversee changes to the School website to maintain quality assurance and make sure that there are not “version control” problems;
- W. Coordinate security, creative, and content issues pertaining to the website;
- X. Coordinate Web hosting contracts and relationships with vendors across the State as needed;
- Y. Handle troubleshooting issues for the School’s website and send issues to the appropriate person or division for resolution; and
- Z. Additional Technology Services in K12’s discretion and any other services as agreed to in writing by the Parties from time to time.

EXHIBIT B

K12 Proprietary Marks



K¹²

Unleash the xPotential®

The xPotential®

A+nywhere Learning System®





DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	CERT	COPY
10/19/2018	201829201766	AMENDED/RESTATED ARTICLES (AMA)	50.00	0.00	0.00	0.00

Receipt

This is not a bill. Please do not remit payment.

AMY GOODSON CO., LLC
288 S. MUNROE ROAD
TALLMADGE, OH 44278

STATE OF OHIO CERTIFICATE

Ohio Secretary of State, Jon Husted
4195942

It is hereby certified that the Secretary of State of Ohio has custody of the business records for
OHIO DIGITAL LEARNING SCHOOL

and, that said business records show the filing and recording of:

Document(s)

AMENDED/RESTATED ARTICLES

Effective Date: 10/19/2018

Document No(s):

201829201766



United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the
Secretary of State at Columbus, Ohio this
19th day of October, A.D. 2018.

Jon Husted

Ohio Secretary of State

Form 541 Prescribed by:

JON HUSTED
Ohio Secretary of State



Toll Free: (877) SOS-FILE (877-767-3453) | Central Ohio: (614) 466-3910
www.OhioSecretaryofState.gov | busserv@OhioSecretaryofState.gov
File online or for more information: www.OHBusinessCentral.com

[For screen readers, follow instructions located at this path.](#)

Certificate of Amendment
(Nonprofit, Domestic Corporation)
Filing Fee: \$50
Form Must Be Typed

Check the appropriate box:

- Amendment to existing Articles of Incorporation by Members pursuant to Ohio Revised Code section 1702.38(C) (128-AMD)
- Amended and Restated Articles by Members pursuant to Ohio Revised Code section 1702.38(D) or by Directors pursuant to Ohio Revised Code section 1702.38(E) (126-AMAN) - The following articles supersede the existing articles and all amendments thereto.

Complete the following information:

Name of Corporation

Charter Number

A copy of the resolution of amendment must be attached to this document.

Note: If amended and restated articles were adopted, amended articles must set forth all provisions required in original articles other than with respect to the initial directors pursuant to Ohio Revised Code section 1702.38(A). In the case of adoption of the resolution by the directors, a statement of the basis for such adoption shall be provided.

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

Required

Must be signed by an authorized officer of the Corporation pursuant to the Ohio Revised Code section 1702.38(G).

If authorized representative is an individual, then they must sign in the "signature" box and print their name in the "Print Name" box.

If authorized representative is a business entity, not an individual, then please print the business name in the "signature" box, an authorized representative of the business entity must sign in the "By" box and print their name in the "Print Name" box.

Jennifer Wise

Signature

By (if applicable)

Jennifer Wise

Print Name

Signature

By (if applicable)

Print Name

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
OHIO DIGITAL LEARNING SCHOOL**

FIRST: The name of the Corporation is Ohio Digital Learning School

SECOND: The principal office of the Corporation is located in Toledo, Ohio in Lucas County.

THIRD: The Corporation is organized exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

FOURTH: No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, Officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Third Article hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (or the corresponding section of any future federal tax code) or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code (or the corresponding section of any future federal tax code).

FIFTH: Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to a public benefit corporation, the United States, a state or any political subdivision of a state, or an organization recognized as exempt for federal income tax purposes under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as the Board of Trustees shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to an organization described above, as said Court shall determine. Notwithstanding anything contained in this Article V, to the extent permitted by Chapter 1702 of the Revised Code, at any time during which this Corporation is a community school under the laws of Ohio, it shall be subject to R.C. 3314.074.

CERTIFICATION OF RESOLUTION
AUTHORIZING NAME CHANGE

Glass City Education Corporation

Now known as:

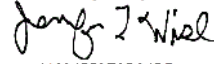
Ohio Digital Learning School

RESOLVED, that the Board of Directors hereby amends its Articles of Incorporation to change the name of the corporation to Ohio Digital Learning School and authorizes the Board President to sign the necessary documents for said name change.

FURTHER RESOLVED, that the Board of Directors authorizes legal counsel to file the name change with the appropriate state agency and authorizes payment for the filing fee.

Approved by a majority vote of the Board of Directors on October 18, 2018.

By: Jennifer Wise
Print Name

DocuSigned by:

41294559E9D94DD...
Signature

Title: Boad President

JON HUSTED
Ohio Secretary of State



Toll Free: (877) SOS-FILE (877-767-3453) | Central Ohio: (614) 466-3910
www.OhioSecretaryofState.gov | busserv@OhioSecretaryofState.gov
File online or for more information: www.OHBusinessCentral.com

[For screen readers, follow instructions located at this path.](#)

Initial Articles of Incorporation
(Nonprofit, Domestic Corporation)
Filing Fee: \$99
(114-ARN)
Form Must Be Typed

First: Name of Corporation

Second: Location of Principal Office in Ohio

City

State

County

Optional: Effective Date (MM/DD/YYYY)

(The legal existence of the corporation begins upon the filing of the articles or on a later date specified that is not more than ninety days after filing.)

Third: Purpose for which corporation is formed

Please see attachment

** Note: for Nonprofit Corporations: The Secretary of State does not grant tax exempt status. Filing with our office is not sufficient to obtain state or federal tax exemptions. Contact the Ohio Department of Taxation and the Internal Revenue Service to ensure that the nonprofit corporation secures the proper state and federal tax exemptions. These agencies may require that a purpose clause be provided. **

** Note: ORC Chapter 1702 allows for additional provisions to be included in the Articles of Incorporation that are filed with this office. If including any of these additional provisions, please do so by including them in an attachment to this form. **

Attachment 1
ODL New School Application

Original Appointment of Statutory Agent

Ohio Digital Learning School

The undersigned, being at least a majority of the incorporators of

Glass City Education Corporation

(Name of Corporation)

hereby appoint the following to be Statutory Agent upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. The complete address of the agent is:

AMY E. GOODSON

(Name of Statutory Agent)

288 S. MUNROE ROAD

(Mailing Address)

TALLMADGE

(Mailing City)

OH

(Mailing State)

44278

(Mailing ZIP Code)

Must be signed by
the incorporators or
a majority of the
incorporators.

JENNIFER WISE

(Signature)

GREG FOCKLER

(Signature)

(Signature)

Acceptance of Appointment

The Undersigned,

AMY E. GOODSON

(Name of Statutory Agent)

, named herein as the

Statutory agent for

Glass City Education Corporation

(Name of Corporation)

hereby acknowledges and accepts the appointment of statutory agent for said corporation.

Statutory Agent Signature

AMY E. GOODSON

(Individual Agent's Signature / Signature on Behalf of Business Serving as Agent)

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

Required

Articles and original appointment of agent must be signed by the incorporator(s).

If the incorporator is an individual, then they must sign in the "signature" box and print his/her name in the "Print Name" box.

If the incorporator is a business entity, not an individual, then please print the entity name in the "signature" box, an authorized representative of the business entity must sign in the "By" box and print his/her name and title/authority in the "Print Name" box.

JENNIFER WISE

Signature

By (if applicable)

Print Name

GREG FOCKLER

Signature

By (if applicable)

Print Name

Signature

By (if applicable)

Print Name

**ADDITIONAL PROVISIONS
TO
ARTICLES OF INCORPORATION
OF
GLASS CITY EDUCATION CORPORATION**

THIRD: The Corporation is organized exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code.

FOURTH: No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, Officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Third Article hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (or the corresponding section of any future federal tax code) or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code (or the corresponding section of any future federal tax code).

FIFTH: Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to a public benefit corporation, the United States, a state or any political subdivision of a state, or an organization recognized as exempt for federal income tax purposes under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as the Board of Trustees shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to an organization described above, as said Court shall determine. Notwithstanding anything contained in this Article V, to the extent permitted by Chapter 1702 of the Revised Code, at any time during which this Corporation is a community school under the laws of Ohio, it shall be subject to R.C. 3314.074.



DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	CERT	COPY
06/14/2018	201816403138	DOMESTIC NONPROFIT CORP - ARTICLES (ARN)	99.00	0.00	0.00	0.00

Receipt

This is not a bill. Please do not remit payment.

AMY GOODSON CO., LLC
288 S. MUNROE ROAD
TALLMADGE, OH 44278

STATE OF OHIO CERTIFICATE

Ohio Secretary of State, Jon Husted
4195942

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

GLASS CITY EDUCATION CORPORATION

and, that said business records show the filing and recording of:

Document(s)

DOMESTIC NONPROFIT CORP - ARTICLES

Effective Date: 06/14/2018

Document No(s):

201816403138



United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the
Secretary of State at Columbus, Ohio this
14th day of June, A.D. 2018.

Jon Husted

Ohio Secretary of State

CODE OF REGULATIONS OF GLASS CITY EDUCATION CORPORATION

ARTICLE I GENERAL

Section 1. Name.

The name of this Ohio nonprofit corporation shall be Glass City Education Corporation (the "Corporation").

Section 2. Operation, Objectives, and Guiding Principles.

Subject to all of the terms and conditions set forth in the Corporation's Articles of Incorporation and this Code of Regulations, the Corporation is organized, and shall be operated as a public benefit corporation as defined in §1702.01(P) of the Ohio Revised Code.

a. The Corporation shall engage in lawful activities that directly or indirectly further public or charitable purpose and, upon dissolution, shall distribute its assets to a public benefit corporation, the United States, a state or any political subdivision of a state, or a person that is recognized as exempt from federal income taxation under section 501(c)(3) of the "Internal Revenue Code of 1986," as amended.

b. Unless otherwise specifically set forth in this Code of Regulations:

1. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered by its members, directors or officers or other private persons and to make payments and distributions in furtherance of the purposes set forth in these Articles; and
2. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and
3. The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office; and
4. No present or former member, or immediate family member of the Board of Directors shall be an owner, employee or consultant of any nonprofit or for profit operator or sponsor of a community school unless at least one year has elapsed since the conclusion of the person's membership; and
5. No loans shall be made by the Corporation to its directors or officers.

Section 3. Location.

The Corporation's headquarters shall be located and maintained in Lucas County, Ohio or such other location as the Board of Directors may determine.

Section 4. Property.

The Corporation may purchase, lease, rent, accept as gifts or contributions, or otherwise receive, acquire and manage real and personal property in furtherance of its purposes.

**ARTICLE II
BOARD OF DIRECTORS**

Section 1. Management.

The Board of Directors shall be the governing body of the Corporation responsible for the management of the affairs of the Corporation in furtherance of its purposes. The Corporation shall have a Board of Directors consisting of no less than five members; all of whom shall be appointed to terms in accordance with Section 3 below.

Section 2. Authority.

Except where otherwise provided in the Ohio Revised Code, the Corporation's Articles of Incorporation, or this Code of Regulations, the full authority of the Corporation shall be vested in and exercised by the Board of Directors. Any authority of the Directors may be delegated to such persons or committees as the Directors so acting may determine, so long as not otherwise prohibited.

Section 3. Election of and Term of Office of Directors.

Each Director shall hold office for a term of three years commencing on the day of the meeting at which the Director was elected and ending on the day of the third annual meeting thereafter or until successor Directors are elected and qualified. The initial Directors terms may be less than three years so as to create staggered terms. Prior to the expiration of each Director's term, the remaining Board of Directors shall appoint, by majority vote, a replacement Director who shall serve a three year term commencing upon the expiration of each initial Director's term. Directors may be reappointed and serve additional terms.

Section 4. Director Vacancies.

a. Except as provided in Section 3 above, the office of any Director shall become vacant upon his or her death, failure to qualify, removal or resignation as a Director. Any Director's office shall likewise become vacant if he or she shall be declared of unsound mind or otherwise incompetent by order of a court having jurisdiction, or if he or she shall be adjudicated as bankrupt or shall make an agreement for the benefit of his or her creditors.

b. A vacancy among the Directors shall be filled by the appointment of a successor Director to serve for the portion of the term remaining. Such appointment shall be made by a vote of the remaining directors, though less than a majority of the whole authorized number of Directors.

Section 5. Qualifications.

All Directors are required to obtain a criminal background check, in compliance with Chapter 3314 of the Ohio Revised Code. A Director may not serve on the Board if he or she has been convicted of, or plead guilty to, a disqualifying offense applicable to his or her position as set forth under Ohio law. At any time during which this Corporation is a community school under the laws of Ohio, no member of

the Board may serve on the governing authority of more than the statutory maximum number of Ohio community schools.

Section 6. Compensation.

Directors may elect to receive compensation pursuant to Ohio Revised Code provisions governing compensation of community school governing authority members. Directors may also be compensated or reimbursed, as authorized and approved by the remaining Directors, for services rendered or expenses incurred in furtherance of the purposes of the Corporation.

Section 7. General Powers of the Board.

The powers of the Corporation shall be exercised, its business and affairs conducted and its property controlled by the Board of Directors, except as otherwise provided in the Articles of Incorporation, amendments thereto, or Chapter 1702 of the Ohio Revised Code.

Section 8. Other Powers.

Without prejudice to the general powers conferred above, the Directors, acting as a Board, shall have the power:

- a. to fix, define and limit the powers and duties of all officers,
- b. to appoint, and at their discretion, with or without cause, to remove, or suspend such subordinate officers, assistants, managers, agents, and employees as the Directors may from time to time deem advisable, and to determine their duties and fix their compensation;
- c. to require any officer, agent, or employee of the Corporation to furnish a bond for faithful performance in such amount and with sureties as the Board may approve;
- d. to designate a depository or depositories of the funds of the Corporation and the officer or officers or other person who shall be authorized to sign notes, checks, drafts, contracts, deeds, mortgages and other instruments on behalf of the Corporation.

**ARTICLE III
MEETINGS**

Section 1. Meetings of the Board.

The Board shall use standard practices of parliamentary procedure.

Annual Meetings of the Board of Directors shall be held each year for the election of officers and for the transaction of any other business which may properly come before the Board.

Regular Meetings of the Board of Directors shall be held at least six times a year (including the Annual Meeting) pursuant to the Ohio Revised Code and at such other times and places as is directed by the Board of Directors.

Special and emergency meetings of the Board may be held at any time upon the call of the Board President or any Director. The person or persons authorized to call special meetings of the Board of Directors may fix a reasonable time and place for holding them.

Except for Special Meetings, written notice of any Board of Directors Meeting shall be communicated to the Directors at least five (5) days prior to such meeting and shall set forth the reasons therefore, which may be for general purposes. Notice of meetings shall be given to the public as required by Ohio law and Board policy.

Section 2. Meetings Held Through Communications Equipment and Action Without a Meeting.

Unless otherwise prohibited by law, meetings of the Board of Directors or any committee of the Board of Directors may be held through communications equipment provided that all persons participating in such meeting can hear and otherwise communicate with each other, and such participation shall constitute presence at such meeting. Unless otherwise prohibited by law, any action which may be taken at any meeting of the Board of Directors, or any committee of the Board of Directors, may be taken without a meeting by unanimous consent of the Directors who are entitled to vote on such action evidenced by a writing or writings signed by all of the members of the Board or of such committee who are entitled to vote on such action, as the case may be. The writing or writings evidencing such action taken without a meeting shall be filed with the Secretary of the Corporation and inserted by the Secretary in the permanent records of the Corporation relating to meetings of the Board or of its committees. The preceding notwithstanding, no meeting may be held through the use of communications equipment and no action without a meeting may be taken at any time during which the Corporation holds a charter as a community school under Chapter 3314 of the Ohio Revised Code or is otherwise subject to Section 121.22 of the Ohio Revised Code.

Section 3. Quorum.

Except as otherwise provided in this Code of Regulations, the minimum number of Directors necessary to constitute a quorum for the transaction of business at any meeting shall be a majority of the Directors entitled to vote who are then in office.

Section 4. Vote of Directors.

All matters submitted to a vote at any meeting at which a quorum is present shall be determined by a majority vote of the members entitled to vote.

Section 5. Executive Session.

So long as the Corporation operates as an Ohio Community School as defined in Ohio Revised Code Section 3314, all meetings shall comply with the legal requirements for Ohio Community Schools. As such, the Board may discuss matters in executive session as permitted by Section 121.22(G) of the Ohio Revised Code as the same may be amended.

ARTICLE IV OFFICERS

Section 1. Election of Officers.

The Board of Directors shall elect as Officers of the Corporation a President, Secretary, and a Treasurer, and may elect such Vice Presidents and assistant officers as the Board from time to time deems appropriate. Each Director shall be entitled to vote only for one (1) person for each office to be elected. An individual may hold more than one (1) office of the Corporation, provided however, that no person shall execute, acknowledge or verify an instrument in more than one capacity. The duties of the Officers shall be as follows:

a. President. The President shall be the active executive officer of the Corporation and shall exercise supervision over the business of the Corporation and over its several officers, subject, however, to the control of the Board of Directors. The President shall preside at all meetings of the Board of Directors. He/She shall have authority to sign all deeds, mortgages, bonds, contracts, notes and other instruments requiring his/her signature; and shall have all the powers and duties prescribed by the General Corporation Act; appoint all committee chairs and committee members; assist in conducting new board member orientation; recruit new board members; act as spokesperson for the organization; periodically consult with board members on their roles and help them assess their performance; and such other duties as from time to time may be assigned to him/her by the Board of Directors.

b. Vice-President. The Vice-President shall perform duties as are conferred upon him/her by these Regulations or as may from time to time be assigned to him/her by the Board of Directors or the President. At the request of the President, or in his/her absence or disability, the Vice-President, designated by the President (or in the absence of such designation, the Vice-President designated by the Board of Directors) shall perform all the duties of the President, and when so acting, shall have the powers and duties of the President.

c. Secretary. The Secretary of the Corporation shall keep minutes of all proceedings of the meetings and shall make proper records of the same which shall be attested to him/her. He/She shall keep such books as may be required by the Board of Directors and file all reports to states, to the Federal government, and to foreign countries. The Secretary shall be required to give notice of meetings of the Directors, and shall perform such other and further duties as may from time to time be assigned to him/her by the Board of Directors or the President. The Secretary shall sign all deeds, mortgages, bonds, contracts, notes and other instruments executed by the Corporation requiring his/her signature. The Board may assign, by way of resolution or contract, the Secretary's recording and notice duties to an employee, contractor, or other individual.

d. Treasurer. The Board Treasurer shall monitor the financial affairs of the Corporation. So long as the Corporation is operating a community school defined in Chapter 3314 of the Ohio Revised Code, the Board of Directors shall appoint an individual as the corporation's designated Fiscal Officer/Treasurer who shall hold such licenses and receive such training as required by Ohio law.

e. Designated Fiscal Officer. The Board shall have a Designated Fiscal Officer as required by Ohio Law. The Fiscal Officer shall hold the office of Treasurer. The Fiscal Officer may be an employee or independent contractor hired by the Board. The Fiscal Officer shall have general supervision of all finances; he/she shall receive and have in his/her charge all money, bills, notes, deeds, leases, mortgages and similar property belonging to the Corporation, and shall do with same as may from time to time be required by the Board of Directors. The Fiscal Officer shall not be considered a member of the Board, as that term is used in this Code of Regulations.

The Fiscal Officer shall understand financial accounting for non-profit organizations; manage the Board's review of and action related to the Board's financial responsibilities; work with any management organizations or other service providers as needed to ensure that appropriate financial reports are made available to the Board on a timely basis; work with the board to develop and recommend annual budgets; and review and answer Board members' questions about the annual audit. The Fiscal Officer shall cause to be kept adequate and correct accounts of assets and liabilities, receipts, disbursements, gains, losses, together with such other accounts as may be required, and, upon his/her removal as Fiscal Officer shall turn over to the Board of Directors or a successor Fiscal Officer as directed by the Board, all property, books, papers, and money of the Corporation in his/her control; and he/she shall perform such other duties as from time to time may be assigned to him/her by the Board of Directors.

Section 2. Assistant and Subordinate Officers.

The Board of Directors may appoint such assistant and subordinate officers as it may deem desirable. Each such officer shall hold office during the pleasure of the Board of Directors and perform such duties as the Board of Directors may prescribe.

The Board of Directors may from time to time, authorize any officer, appoint and remove subordinate officers, prescribe their authority and duties, and fix their compensation, if any.

Section 3. Duties of Officers May be Delegated.

In the absence of any officer of the Corporation, or for any other reason, which the Board of Directors may deem sufficient, the Board of Directors may delegate, for the time being, the powers and duties, or any one of them, of such officer to any other officer or to any Director, so long as not otherwise prohibited.

Section 4. Qualifications and Authority of Officers.

The Officers of the Corporation may, but need not, be Directors of the Corporation. Officers of the Corporation shall have such authority as may be specified from time to time by the Directors.

Section 5. Term of Office.

The officers of the Corporation shall hold office for one year. The number of terms of such Officers is not hereby limited.

Section 6. Resignation and Removal.

Any Officer may, by written notice to the Board of Directors, resign at any time. Any Officer may be removed by the Board of Directors without cause at any time.

Section 7. Officer Vacancies.

Vacancies which occur in any office shall be filled by the Board of Directors for the remainder of the vacant term in such manner as said Board, in its discretion, deems appropriate.

ARTICLE V COMMITTEES

The Corporation may have Standing or Special Committees to perform such functions as the Board of Directors may authorize and direct. The chairpersons of such committees shall be selected by the President or the Board from among its members. Committee members shall be appointed by the President or the Board.

ARTICLE VI BOARD POLICIES

Section 1. Nondiscriminatory Policy

The Corporation shall not discriminate on the basis of race, color, gender, national origin, pregnancy status, religion, economic status or military status with respect to its rights privileges, programs, activities, and/or in the administration of its educational programs and athletics/extracurricular activities. Specifically, with respect to admissions, it will admit students of any race, creed, color, national or ethnic origin, sex, and handicapping condition. Upon the admission of any handicapped student, the Corporation will comply with all federal and state laws regarding the education of handicapped students.

Section 2. Conflicts of Interest Policy

The Corporation shall adopt a conflicts of interest policy to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director, Officer, or other interested person. In addition to the ongoing obligation to disclose any conflicts of interest, each member shall annually sign a conflict of interest/disclosure statement.

ARTICLE VII INDEMNIFICATION

Section 1. Indemnification.

The Corporation shall, to the fullest extent not prohibited by applicable law, indemnify each person who, by reason of being or having been a Director or Officer of the Corporation, is named or otherwise becomes or is threatened to be made a party to any action, suit, investigation, proceeding, claim or other matter therein, and the Corporation as deemed proper by the Board of Directors may indemnify any other person, against any and all costs and expenses (including attorney fees, judgments, fines, penalties, amounts paid in settlement, and other disbursements) actually and reasonably incurred by, or imposed upon, such person in connection with any action, suit, investigation, proceeding, claim, or other matter therein, whether civil, criminal, administrative or otherwise in nature, with respect to which such person is named or otherwise becomes or is threatened to be made a party by reason of being or having been a Director, Officer, employee, volunteer, advisor, fiduciary, or other agent of or in a similar capacity with the Corporation.

Each request by or on behalf of any person who is or may be entitled to indemnification for reason other than by being or having been a Director or Officer of the Corporation shall be reviewed by the Board of Directors, and indemnification of such person shall be authorized by said Board only if it is determined by said Board that indemnification is proper in the specific case, and, notwithstanding anything to the contrary in this Code of Regulations, no person shall be indemnified to the extent, if any,

it is determined by said Board or by written opinion of legal counsel designated by said Board for such purpose that indemnification is contrary to applicable law.

Section 2. Insurance.

The Corporation, to the extent permitted by Chapter 1702 of the Ohio Revised Code, may purchase and maintain insurance or furnish similar protection for or on behalf of any person who is or at any time has been a Director, Officer, employee, or volunteer of the Corporation.

**ARTICLE VIII
CONFLICT WITH ARTICLES OF INCORPORATION**

If, at any time, any provision of this Code of Regulations conflicts with any provision of the Corporation's Articles of Incorporation, the provisions of the Articles of Incorporation shall control, and the portion of this Code of Regulations that conflicts with the Articles of Incorporation shall be void to the extent of the conflict with the Articles of Incorporation.

**ARTICLE IX
DISSOLUTION**

The Corporation may be dissolved by the Board of Directors at any time, provided that upon dissolution the Corporation shall distribute its assets to a public benefit corporation, the United States, a state or any political subdivision of a state, or a person that is recognized as exempt from federal income taxation under section 501(c)(3) of the "Internal Revenue Code of 1986," as amended. Notwithstanding the foregoing, to the extent permitted by Chapter 1702 of the Revised Code, at any time during which this Corporation is a community school under the laws of Ohio, it shall be subject to R.C. 3314.074.

**ARTICLE X
FISCAL YEAR**

The fiscal year of the Corporation shall commence on July 1 and conclude on June 30 of each year.

5862 Firethorne Dr Apt H
Toledo, OH 43615
419-973-0616 | www.enchantedessence.net
jenwise@enchantedessence.net
iansmama181@gmail.com

JENNIFER L WISE

OBJECTIVE Creating opportunities for profound change for individuals by being dedicated to the guidance of Spirit.

**PROFESSIONAL
ACHIEVEMENTS**

ENTREPRENEUR

Creating a line of therapeutic lotions to assist individuals with healing and wholeness
Providing and Teaching Reiki throughout Toledo and surrounding areas

BOARD APPOINTMENTS

Past Board President for Second Chance a non-profit organization assisting trafficked women and children (2 years)
Current Board Asst. Treasurer for Unity of Toledo Spiritual Center (new appointment)
Current Board Secretary for Ohio Virtual Academy (Board Secretary for 1 year)
(Board Member for 2 years)

SKILLS

Grant Writing
Oversight of Federal and Local Funding
Collaboration and Coordination of Services from numerous organization
Oversight of Grant Budgets
Supervision of staff of more than 10
Non-profit and Government Organization Experience

WORK HISTORY

OWNER-CEO, ENCHANTED ESSENCE, TOLEDO, OH

November 2016-present

**MANAGER OF RESIDENT AND SPECIAL SERVICES, LUCAS METROPOLITAN HOUSING
AUTHORITY, TOLEDO, OH**

April 2005-April 2011

WEED AND SEED DIRECTOR, LAGRANGE DEVELOPMENT CORPORATION, TOLEDO, OH

March 1995-March 2005

EDUCATION

MASTERS OF SCIENCE IN CRIMINOLOGY, UNIVERSITY OF TOLEDO, TOLEDO OH ,2002

GPA- 4.00

BACHELORS OF ARTS IN PSYCHOLOGY, KEAN COLLEGE AND UNIVERSITY, UNION, NJ 1997

GPA- 3.97

REFERENCES

STEPHANIE PAGE

LISW, Stephanie Page Counseling Services

419-322-1426

NATALIE VORST

Manager of Programs and Services, Girl Scouts of Northwest Ohio

419-304-1640

Christian J. Canova

Objective

Seeking leadership challenges that will allow me to serve and positively impact our communities with my excellent business, communication and relationship building skills, experience, passion, and drive for positive results.

Summary of Qualifications

Over twenty years of experience serving our community with a proven track record of attaining positive outcomes through numerous leadership positions ranging from CEO of Jobs for Ohio Graduates Incorporated, Executive Director of Tri-County Jobs for Ohio's Graduates programming to National Technical Advisor for Jobs for America's Graduates/LEAP to Project Manager for large visibility and fundraising events. Through Operations Management experience have established a broad base of knowledge with respect to financial, supervision, and human resource matters. Teaching to youth and adults, presentations to small and large audiences, and grant writing are amongst other skills.

Work History

2010 to Present, CEO, Jobs for Ohio's Graduates Inc.

Responsible for all JOG statewide affiliate's (7) oversight, securing statewide funding through legislative branch and governor's office, Jobs for America's Graduates chief liaison and rebranding of JOG offerings.

- Secured JOG statewide funding in Ohio's Biennium Budget in 2011 for the first time in 8 years.
- Branded Ohio as Jobs for America's Graduates national Dropout Recovery Model organization. Inclusive of hosting national training seminars.
- Oversight of programs included receiving the Highest National Performance standard for the 21st consecutive year—second longest of all national affiliates.
- Provided oversight to over 7 statewide affiliates, 70+ programs and cumulative program budgets of over \$4,000,000+ on an annual basis.

2008 to Present, Jobs for America's Graduates (JAG)

- National Accreditation Team -Evaluation of statewide organizations operating the JAG Model.

2015 to Present, Annie E. Casey/LEAP/JAG

- National Technical Assistance Lead for Dropout Recovery Programming
- Program Start-up in Savannah, Georgia; Los Angeles, California; Phoenix, Arizona; Maine Statewide; Also Anchorage, Alaska; Minneapolis, Minnesota: and New York, New York.

2002 to Present, Executive Director, Tri-County Jobs for Ohio's Graduates.

Responsible for establishing organizational objectives, services to be offered, and funding initiatives for this not for profit youth services corporation. Also, organizational oversight, accountability, and program positioning within our community.

Accomplishments

- Organizational Revenues have increased by approximately 800% since 2003 and services continue to be expanded for youth.
- Expanded services to include Licensed Social Workers as core service component for all program participants. This has expanded both services to clients and families while increasing revenues and Return on Investment (ROI).
- Expanded services to include adult programming, Ohio Means Jobs Operations and TANF service populations.
- Expanded service to Stark County in 2016 at a budget of \$58,000. In 2017, that budget is \$750,000.

1998 to 2002, Operations Manager, Tri-County Jobs for Ohio's Graduates

Responsible for day to day operations inclusive of professional staff development, supervision, program outcomes, fiscal and human resource areas. Program and staff evaluation, compliance, and reporting were key roles.

- Initiated and implemented cost containment measures reducing expenses on a per youth basis, while a 401(k) retirement plan for employees was added to the benefit package.

1993 to 1998, Staff Development Coordinator/Supervisor/Job Specialist, Tri-County JOG

6546 Forestwood Street NW.
Canton, Ohio 44718
Phone: 330-715-1277
E-mail: ccanova55@gmail.com

Christian J. Canova

Education

2002 to 2004, Masters of Business Administration, Malone College
1987 to 1991, Bachelor of Arts—Economics, The College of Wooster

Accreditation

Certified Workforce Development Professional, CWDP
Nationally Certified Trainer, Jobs for America's Graduates
Assessment Center Certification, Kent State University

Awards Received

American Express National Young Leadership Academy Recognition
Leadership Scholarship, College of Wooster
Coach of the Year—Softball, Akron Public Schools

Interests and Activities

Family, Church, Sports, Reading

Volunteer Experience

Lebron James Family Foundation Basketball Tournament
Nativity and Queen of Heaven Athletic Association, Officer
Little Athlete Program Commissioner, Nativity/Queen of Heaven
Youth Baseball, Football Coach

Computer Skills

Experience with Microsoft products Word, Excel, Project, Powerpoint

Memberships

National Association of Workforce Development Professionals
TorchBearer's

Greg Fockler
Toledo, Ohio

EXPERIENCE

Financial Advisor. Informative Financial Services, Toledo, Ohio **May 2014 – Present**

Counsels clients on financial goals and develops fiduciary relationships. Has attained Investment Advisor Representative (IAR) designation and licenses include: Series 7; Series 66; and life insurance.

Court Runner. Offices of Jennifer Antonini, Toledo, Ohio **Aug. 2012 – May 2014**

Entrusted with transporting legal documents among attorneys, courts, and officials. Collected, gathered and filed legal information.

Inside Sales Intern. DocuSphere, Perrysburg, Ohio **Jan. 2013 – March 2014**

Qualify and gather leads using Salesforce by performing outbound sales calls to executives. DocuSphere has subsequently been acquired by the Tungsten Network in the United Kingdom.

EDUCATION

Bachelor of Business Administration, May 2014. The University of Toledo, Toledo, OH

The Edward H. Schmidt School of Professional Sales, the #1 rated sales program nationwide.

Major: Professional Sales/Minor: Business Finance

BOARD MEMBERSHIP/COMMUNITY PARTICIPATION

Treasurer: St. Francis de Sales Young Alumni Group.

A group for young professional graduates of SFS to network, perform philanthropic acts, and engage with the high school and its promising future.

Past Board Member: National Association of Insurance and Financial Advisors (NAIFA).

Planning and implementation of events to grow the Toledo NAIFA chapter. Serves as a committee member of the Young Advisor Team (YAT) for NAIFA.

Ohio Digital Learning School Staffing Plan	
Position	FTE
STAFF HIRED BY ODLS BOARD	
General Education Teachers	19*
SPED Teachers	9*
Guidance Counselors	3
Advisors	6
Family Resource Coordinator	1
Family Academic Support Liaisons	4
Compliance Liaison	1
Total	43*
*As ADM grows it is expected new staff will be employed. Over the course of the school year, FTE is expected to average 42.6	
STAFF HIRED BY K12 VIRTUAL SCHOOLS LLC FUNDED UNDER THE EPSA (See sections 5.3 and 7.3)	
Site Based Staff	
Head of School	1
Academic Administrator	1
Operations Manager	1
Special Programs Manager	1
EMIS Coordinator	1
Office Manager	1
TOTAL SITE BASED K12 STAFF	6
K12 Regional Staff funded under the EPSA	
Fiscal Manager	
Human Resources Coordinator	
Enrollment Coordinator	
Information Technology Coordinator	

Attachment 6: Sample Job Descriptions



Job Title:	Head of School (Director Level)
Department:	School Services
Reports To:	Regional Vice President
FLSA Status:	Exempt
Job Level:	Director
Job Code:	HOS – Head of School

SUMMARY: The Head of School acts as chief administrator for a K12 managed school; implements the school's strategies and budget; and oversees the implementation of school marketing and enrollment initiatives. The role acts as an ambassador for K12 with the community and civic groups; ensures compliance with the requirements of federal, state and local agencies; and selects, develops and retains highly qualified and effective staff. At all times, the incumbent exemplifies the qualities associated with academic leadership and professionalism; uses data to drive academic decision-making; and ensures instruction is targeted to meet students' individual needs.

ESSENTIAL FUNCTIONS, DUTIES AND RESPONSIBILITIES: The below statements are intended to describe the general nature and scope of work being performed by this position. This is not a complete listing of all responsibilities, duties and/or skills required; other duties may be assigned. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- Provides leadership exhibiting professionalism and high academic standards that celebrate student and staff achievements; acts as chief administrator of a K12 managed school; implements the school's mission, vision, and strategic planning initiatives driven by K12 and the Board of Directors;
- Develops plans and policies for the educational program and submits them to Board of Directors for approval; ensures policies and programs are carried out appropriately by all students, parents, and staff;
- Consults with K12's legal team, the Board of Directors, and Human Resources to appropriately handle any legal issues; ensures compliance with all local, state, and federal laws;
- Communicates school budget decisions to K12 and the Board of Directors and oversees the local implementation of the budget;
- Oversees implementation of the school marketing and enrollment plans directed by K12 to achieve and maintain enrollment capacity;
- Serves as public relations liaison between K12 and the school community; engages community and civic groups to support school programs and the school community;
- Works closely with government affairs team to support and advance the online educational movement within the state;
- Ensures school program are in alignment with authorizing agency requirements;
- Effectively recruits, hires, and retains highly qualified staff; develops effective staff members through an ongoing evaluation process and professional development;
- Creates and fosters a positive school culture by involving school staff, community leaders, students and parents;
- Serves as the school's instructional leader and ensures data is being used to drive all academic decisions;
- Ensures teaching staff utilizes the K12 curriculum, effective assessments, and targeted instruction to meet the individual needs of each student.

Competencies: To perform the job successfully, an individual should demonstrate the following competencies.

- **Adaptability/Flexibility:** Adapts to change, is open to new ideas, takes on new responsibilities, handles pressure, and adjusts plans to meet changing needs.
- **Integrity/Ethics:** Deals with others in a straightforward and honest manner, is accountable for actions, maintains confidentiality, supports company values, and conveys good news and bad.
- **Teamwork:** Meets all team deadlines and responsibilities, listens to others and values opinions, helps team leader to meet goals, welcomes newcomers and promotes a team atmosphere.

Supervisory Responsibilities: Directly supervises 5+ full-time equivalent (FTE) employees and/or contractors. Carries out supervisory responsibilities in accordance with the organization's policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.

MINIMUM REQUIRED QUALIFICATIONS:

- Master's degree AND
- Three (3) years of school administration experience OR
- Equivalent combination of education and experience

Certificates and Licenses: Valid appropriate state administrative license as required.

OTHER REQUIRED QUALIFICATIONS:

- Ability to manage a large staff with multiple departments
- Proficiency in Microsoft Office Outlook, Word, Excel; Database and Web proficiency
- Ability to pass required background check

DESIRED QUALIFICATIONS:

- Charter school experience including understanding of state charter regulations as they relate to school operations

WORK ENVIRONMENT: The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- This is an office based position. Typical school office setting (conversation, phones, light foot traffic, computers, printers, etc.).

The above job is not intended to be an all-inclusive list of duties and standards of the position. Incumbents will follow any other instructions, and perform any other related duties, as assigned by their supervisor. All employment is "at-will" as governed by the law of the state where the employee works. It is further understood that the "at-will" nature of employment is one aspect of employment that cannot be changed except in writing and signed by an authorized officer. By signing below the incumbent acknowledges that she/he has reviewed and is familiar with the contents of this job description.



Job Title: (ISOH) Academic Administrator
Department: School Services, ISOH
Reports To: Head of School
FLSA Status: Exempt
Job Level: Manager
Job Code: ACADADM – ACADEMIC ADMINISTRATOR

SUMMARY: The Academic Administrator directs and coordinates educational, administrative and counseling activities of students by performing the following duties personally or through subordinate supervisors.

ESSENTIAL FUNCTIONS: The below statements are intended to describe the general nature and scope of work being performed by this position. This is not a complete listing of all responsibilities, duties and/or skills required; other duties may be assigned. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential duties.

- Ensures conformance of educational programs to federal, state and local school board standards through evaluation, development and coordination activities; As needed, researches and implements non-K12 curriculum resources that meet state standards;
- Manages teaching staff; Manages Master and Lead Teachers and programs;
- Helps articulate the school's mission and vision with the aim of ensuring all stakeholders have a common understanding and are positioned to work cooperatively in order to achieve desired results; Utilizes/relies heavily upon communication technologies and practices that most effectively support a predominantly virtual / remote work environment;
- Confers with teachers, students, and parents concerning educational and behavioral problems in school; Coordinates with teacher and K12 Enrollment regarding expulsions and withdrawals;
- Ensures that the school is meeting the needs of students while complying with local, state, and federal laws regarding special education;
- Develops and oversees implementation of the school's Comprehensive Continuous Improvement Plan.

OTHER DUTIES AND RESPONSIBILITIES: The below statements are intended to help describe the general nature and scope of work being performed by this position. This is not a complete listing of all responsibilities, duties and/or skills required; other duties may be assigned.

- Requisitions and allocates supplies, equipment, and instructional material as needed;
- Actively participates in all school leadership team meetings.

Competencies: To perform the job successfully, an individual should demonstrate the following competencies.

- **Adaptability/Flexibility:** Adapts to change, is open to new ideas, takes on new responsibilities, handles pressure, and adjusts plans to meet changing needs.
- **Integrity/Ethics:** Deals with others in a straightforward and honest manner, is accountable for actions, maintains confidentiality, supports company values, and conveys good news and bad.

- **Teamwork:** Meets all team deadlines and responsibilities, listens to others and values opinions, helps team leader to meet goals, welcomes newcomers and promotes a team atmosphere.

Supervisory Responsibilities: Directly supervises on average 30+ teachers; may supervise considerably more depending on size/growth of school. Carries out supervisory responsibilities in accordance with the organization's policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems

MINIMUM REQUIRED QUALIFICATIONS:

- Master's degree in Education Administration or similar field of study AND
- Five (5) years of relevant experience OR
- Equivalent combination of education and experience

Certificates and Licenses: Ohio Professional Principals License and Credentialed Teacher Evaluator Certification.

OTHER REQUIRED QUALIFICATIONS:

- Strong communication skills: written, oral, presentation
- Proficient in Microsoft Office
- Ability to pass required background check

DESIRED QUALIFICATIONS:

- Familiarity with online learning programs
- Familiarity with student management systems
- Familiarity with state graduation requirements
- Familiarity with post-secondary opportunities

WORK ENVIRONMENT: The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- This is an office based position. The noise level in the office is usually moderate (computers, printers, light foot traffic, conversations, etc.).

The above job is not intended to be an all-inclusive list of duties and standards of the position. Incumbents will follow any other instructions, and perform any other related duties, as assigned by their supervisor. All employment is "at-will" as governed by the law of the state where the employee works. It is further understood that the "at-will" nature of employment is one aspect of employment that cannot be changed except in writing and signed by an authorized officer. By signing below the incumbent acknowledges that she/he has reviewed and is familiar with the contents of this job description.



Job Title: Manager, Special Education
Department: School Services
Reports To: Head of School
FLSA Status: Exempt
Job Level: Manager
Job Code: MGRSPED – Manager, Special Education

SUMMARY: The Manger, Special Education develops and implements policies and procedures and oversees all matters related to special education for the school. The role also assists the Head of School with developing and implementing more general academic policies and procedures and with school operations.

ESSENTIAL FUNCTIONS: Reasonable accommodations may be made to enable individuals with disabilities to perform the essential duties.

- Develops, implements, and disseminates “best practices” for special education policies and procedures in collaboration with school leadership;
- Supports the school’s administration and teachers in providing training on and implementation of special education program and services Creates and maintains appropriate contacts with district(s), intermediate units, and state special education leaders in order to ensure continued compliance of special education programs and represent the school throughout the state in meetings and trainings related to the implementation of special education programs;
- Develops contracts with service providers to provide related services to students and supports full implementation of the related services database to track related services in order to ensure all eligible students are receiving services and that the cost of those services are reported correctly;
- Oversees the development, compliance, maintenance, and implementation of all Review of Exiting Data (RED), Multidisciplinary Evaluation and Eligibility Group Summary (MEEGS), and Individualized Education Plans (IEP);
- Ensures fiscal compliance for special programs including IDEA Part B funds and compliance with all school, local, state, and federal reporting related to special education,
- Works with the Test Coordinator to ensure that all students receive appropriate accommodations during state testing;
- Works with K12 enrollment team to develop processes for ensuring timely identification and enrollment of students with special needs;
- Proactively communicates all changes in local, state and/or federal special education practices and laws to the Head of School;
- Ensures that special education students are integrated in all school activities and that general education and special education teachers and administrative staff work collaboratively to ensure academic success for all students;
- Collects data for internal studies of special education. Works directly with parents and students (both regular and special education) where necessary.

Supervisory Responsibilities: Directly supervises 5-10 Full-time Equivalent (FTE) employees and/or contractors, e.g. Related Service Coordinator, School Psychologist, and Speech

Therapist, Carries out supervisory responsibilities in accordance with the organization's policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems

OTHER DUTIES & RESPONSIBILITIES: The below statements are intended to describe the general nature and scope of work being performed by this position. This is not a complete listing of all responsibilities and/or duties required; other duties may be assigned.

- Participates in the school's self-evaluation programs

MINIMUM REQUIRED QUALIFICATIONS:

- Bachelor's degree AND '
- Three (3) years of special education teaching experience OR '
- Equivalent combination of education and experience '

Certificates and Licenses:

- Special Education Teacher Certification AND
- Early Childhood OR Elementary Education OR Middle or Secondary Education in Math OR Science OR Language Arts Teacher Certification

OTHER REQUIRED EXPERIENCE, KNOWLEDGE, SKILLS & ABILITIES:

- Project management experience
- Strong interpersonal skills with both in-person and electronic communication platforms and a customer service orientation
- Able to read data and determine what steps are needed to assist students academically and behaviorally, as a whole and on an individual basis
- Able to apply adult instructional methods in the training and development of staff
- Communicates effectively both orally and in writing
- Demonstrates the use of good judgment in decision-making
- Understanding of applicable sections of the State Education Code and other pertinent regulations
- Ability to travel up to 25% of the time to OVCA main office to review files, work with office staff, attend meetings, and the like
- Ability to travel up to 10% of the time within and between assigned geographic areas to support students; proctor assessments, provide and attend professional development meetings and participate in school activities, open houses, orientations, and face-to-face enrollment meetings
- Willingness and ability to obtain additional licensing as required
- Proficiency in Microsoft Excel, Word, and Outlook as well as Internet research methods and report writing techniques; Utilizes computer software associated with curriculum and special education
- Ability to pass required background check

DESIRED QUALIFICATIONS:

- Master's degree
- Supervisory certificate
- English as Second Language (ESL) certification and/or Reading or Math specialist endorsement
- Three (3) years of special education administration experience

WORK ENVIRONMENT: The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- This is a home-based position with travel requirements.

The above job is not intended to be an all-inclusive list of duties and standards of the position. Incumbents will follow any other instructions, and perform any other related duties, as assigned by their supervisor. All employment is "at-will" as governed by the law of the state where the employee works. It is further understood that the "at-will" nature of employment is one aspect of employment that cannot be changed except in writing and signed by an authorized officer.



Job Title: Manager, School Operations
Department: School Services
Reports To: Head of School
FLSA Status: Exempt
Job Level: Manager
Job Code: MGRSCHOP – MGR SCHOOL OPERATIONS

SUMMARY: The Manager, School Operations performs and/or oversees various aspects of school operations with an emphasis compliance activities at all levels, internal and external to the K12 organization.

ESSENTIAL FUNCTIONS, DUTIES AND RESPONSIBILITIES: The below statements are intended to describe the general nature and scope of work being performed by this position. This is not a complete listing of all responsibilities, duties and/or skills required; other duties may be assigned. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential duties.

- Develops and manages relationships with partner districts, state and other education stakeholders;
- Oversees and helps maintain student records and data; creates/implements/documents processes that ensure student data validity in K12 and 3rd party databases;
- Acts as point-of-contact and manages reporting issues including all local, K12, state, and federal reporting requirements;
- Works with administrative staff to ensure the school is in compliance with and meets all audit requirements;
- Manages the development of school policies and procedures, e.g. assists with the Company's efforts nationally to develop policies and procedures, training standards and curriculum enhancements;
- Assists in student recruitment and the planning of school events;
- Oversees communication between the Company, students and families and districts related to student enrollments, registrations, withdrawals and end-of-year reclamation efforts;
- Supervises and Manages office staff and assists with a wide variety of personnel support issues; Makes daily work assignments and monitors the Enrollment and Registration team's progress toward goals.

Competencies: To perform the job successfully, an individual should demonstrate the following competencies.

- **Adaptability/Flexibility:** Adapts to change, is open to new ideas, takes on new responsibilities, handles pressure, and adjusts plans to meet changing needs.
- **Integrity/Ethics:** Deals with others in a straightforward and honest manner, is accountable for actions, maintains confidentiality, supports company values, and conveys good news and bad.
- **Teamwork:** Meets all team deadlines and responsibilities, listens to others and values opinions, helps team leader to meet goals, welcomes newcomers and promotes a team atmosphere.

Supervisory Responsibilities: Directly supervises 2 - 5 Full-Time Equivalent (FTEs). Carries out supervisory responsibilities in accordance with the organization's policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing

complaints and resolving problems

MINIMUM REQUIRED QUALIFICATIONS:

- Bachelor's degree AND
- Three (3) years of relevant professional experience OR
- Equivalent combination of education and experience

Certificates and Licenses: None required.

OTHER REQUIRED EXPERIENCE, KNOWLEDGE, SKILLS & ABILITIES:

- Great organizational and time management skills
- Proficient in MS Excel, MSWord, and Outlook
- Strong technology skills
- Experience using search engines (internet) for research projects
- Experience using a student information system and/or other type of database
- Strong written and verbal communication skills
- Ability to pass required background check

DESIRED QUALIFICATIONS:

- Formal project management experience in fast-paced or start-up environment
- Non-profit / education grants management experience
- Experience with managing online learning

WORK ENVIRONMENT: The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- This is an office based position. The noise level in the office is usually moderate (computers, printers, light foot traffic).

The above job is not intended to be an all-inclusive list of duties and standards of the position. Incumbents will follow any other instructions, and perform any other related duties, as assigned by their supervisor. All employment is "at-will" as governed by the law of the state where the employee works. It is further understood that the "at-will" nature of employment is one aspect of employment that cannot be changed except in writing and signed by an authorized officer. By signing below the incumbent acknowledges that she/he has reviewed and is familiar with the contents of this job description.

Employee Signature

Date



Job Title: Teacher
FLSA Status: Exempt
Job Level: Individual Contributor
Job Code: (Various)

SUMMARY: The Teacher is a highly qualified, state certified educator responsible for delivering specific course content in an online environment. Teachers provide instruction, support and guidance, manage the learning process, and focus on students' individual needs. Teachers monitor student progress through K12's learning management system, and they actively work closely with students and parents/Learning Coaches to advance each student's learning toward established goals. Teachers typically work from home but must travel occasionally throughout the year to various school functions, for state testing and as may be otherwise required by the school.

ESSENTIAL FUNCTIONS: Reasonable accommodations may be made to enable individuals with disabilities to perform the essential duties.

Instructional

- Takes ownership for student's academic progress and attendance, communicating high expectations and showing active interest in student's achievement;
- Prepares students for high stakes standardized tests;
- Conducts live Synchronous Teaching – minimum of 15 hours per week;
- Asynchronously supports objectives, including composing/sending emails, planning course objectives, preparing learning plans, and using data to determine student needs;
- Collaborates with local/regional/ national teams and instructional coaches regarding instruction, resources, interventions and data-driven decision making;
- Makes self open and available to be coached on a regular basis with administrators and instructional coaches;
- Under guidance from principal and coach, augments course content according to prescribed policies and procedures using appropriate asynchronous and synchronous tools;
- Submits grades and required student work ensuring student academic honesty and integrity; Maintains grade book; Makes placement and promotion decisions by generating formal and informal reports regarding student progress, alerting administrators to concerns about student performance and progress.

Relationship Building

- Establishes and maintains positive rapport with families and regularly communicates with students and learning coaches/parents on an ongoing regular basis;
- Elementary and Middle School Teachers support learning coaches/parents with student curricular and instructional issues in a virtual classroom environment, in line with academy policies and procedures;
- Supports students and learning coaches with the set-up and maintenance of their learning environment including basic computer troubleshooting;
- Understands how both diverse and unique characteristics of students and their families impact required support;
- Works collaboratively with other teachers to ensure that all students are successfully progressing through the program, that parents have a central point of contact, and that tasks are distributed among the stakeholders;
- Responds to students, parents and colleagues in timely manner.

Other Essential Functions

- Organizes social and educational activities for students and families, including sponsorship of virtual clubs, outings, marketing events or other extracurricular activities as required;
- Travels to testing sites to proctor state exams.

Supervisory Responsibilities: This position has no formal supervisory responsibilities.

OTHER DUTIES & RESPONSIBILITIES: The below statements are intended to describe the general nature and scope of work being performed by this position. This is not a complete listing of all responsibilities and/or duties required; other duties may be assigned.

- * Builds community;
- * Helps staff with any enrollment or retention efforts as directed;
- * Participates in committees as required.

MINIMUM REQUIRED QUALIFICATIONS:

- Bachelor's degree AND
- Six (6) months of student teaching experience AND
- Meet requirements for Ohio definition of a Highly Qualified Teacher [ORC 3319.074]
- Certificates and Licenses: Appropriate state teaching certification.

OTHER REQUIRED QUALIFICATIONS:

- Pedagogical knowledge of content being taught and ability to apply critical thinking
- Knowledge of state content standards and ability to align those with the K12 curriculum
- Ability to embrace change/ adapt to ensure excellent student outcomes
- Ability to problem solve independently and have a high level of organization
- Understanding of interdependency of deadlines on multiple projects and able to act to preserve integrity on other people's deadlines
- Ability to work independently typically 40+ hours per week
- Ability to maintain a professional home office without distraction during work day, typically 9-5 (or 8-4) or as defined by the school
- Ability to travel as required (on average once per month and/or approximately 10% of the time) for face to face professional development, student testing, and as required by school
- Access to reliable high speed internet
- Proficient in Microsoft Excel, Outlook, Word; PowerPoint;
- Ability to rapidly learn and adapt to new technologies and teaching platforms
- Ability to maintain teacher certification/professional development hours and fluency in K12 systems, programs and curriculum
- Ability to pass required background check

DESIRED QUALIFICATIONS:

- Experience working with proposed age group
- Experience supporting adults and children in the use of technology
- Experience working in a virtual environment
- Experience teaching in an online (virtual) and/or in a brick and mortar environment
- Experience with Blackboard Collaborative or other online platforms

WORK ENVIRONMENT: The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

- This is a home-based position.

The above job is not intended to be an all-inclusive list of duties and standards of the position. Incumbents will follow any other instructions, and perform any other related duties, as assigned by their supervisor. All employment is “at-will” as governed by the law of the state where the employee works. It is further understood that the “at-will” nature of employment is one aspect of employment that cannot be changed except in writing and signed by an authorized officer.

Attachment 7: Year 1 Operating Budget
and Narrative

Attachment 1
ODLS New School Application

Ohio Digital Learning School

Ohio Digital Learning School					
1st Year Operational Budget					
		Total FY20 Budget	Budget % of Rev		Narrative
Managed Enrollments					
HS		1,000			
Annual Average Daily Membership - (ADM) - Enrollment		1,000			For budgeting purposes, the Average Daily Membership (ADM) is projected over the course of the year to average 1000 enrollments. The budget assumes approximately 800 students would be enrolled on the first day of school and then continue to grow to over 1030 enrollments by second semester.
Funding Sources					
Basic Formula Funding - HS		\$ 4,681,020			The budget is based on the standard funding rate of \$6,045 per student using a monthly modeled enrollment which averages an (ADM) of 1000 over the course of the year adjusted for a conservative attendance factor of 81.5% based on Ohio Department Education current funding formula.
Special Education Funding - HS		1,021,925			The budget is based on 20% Special Ed population with a distributed population over disability category using an average rate of \$6,598 and a 81.5% attendance factor
Casino Revenue		45,565			
Total Funding		\$ 5,748,510	100.0%		
Instruction - Teachers					
Salary - Regular		\$ 601,744	10.5%		19 full-time teachers, average salary of \$35,925- Budget amount calculated based on varied start dates in line with timing of enrollment- assumed to be fully staffed by December.
Salary - Special Ed		279,901	4.9%		9 full-time teachers, average salary of \$35,732 - Budget amount calculated based on varied start dates in line with timing of enrollment- assumed to be fully staffed by December.
Salary - ICs / Advisors / Counselors		314,830	5.5%		3 full-time counselors at an average salary of \$47,715 and 6 full-time advisors at an average salary of \$34,632 - Budget amount calculated based on varied start dates in line with timing of enrollment- assumed to be fully staffed by December.
Benefits		355,353	6.2%		29.7% - includes payroll taxes, healthcare, STRS, etc.
Bonus		59,824	1.0%		5% of salaries
Travel		5,964	0.1%		teacher travel reimbursed at IRS rate
Phone		18,318	0.3%		approximately \$430 annually per teacher and support staff
Instructional Materials		1,400	0.0%		teacher instructional materials
Curriculum Delivery		100,970	1.8%		online curriculum for staff
Teacher Laptops		32,250	0.6%		\$750 each for 43 staff
Non-Instructional Materials & Supplies		5,325	0.1%		\$125 annually for 42.6 FTE for toner and other office supplies
Conf., Teacher Training Prof. Dev.		17,040	0.3%		\$400 annual estimate for 42.6FTE
Printing, Mailing, Postage		1,065	0.0%		
ISP		19,170	0.3%		internet reimbursement for 42.6 FTE at \$450 per year estimate
Non-K12 Other		6,665	0.1%		
Total Instruction - Teachers		\$ 1,819,818	31.7%		
Instruction - Students					
Proctored Exams & Test Administration		\$ 91,037	1.6%		approximately \$91 per ADM enrollment
Curriculum Delivery		1,172,910	20.4%		Based on 5 online curriculum courses on average per student (See Section 7.2 and Exhibit A of the EPSA)
Instructional Materials		335,656	5.8%		Course materials for 4 core courses on average per student (See Section 7.2 and Exhibit A of the EPSA)
Computer, Peripherals, Software		763,018	13.3%		Student computer leased cost for 100% of enrollment (See Section 7.2 and Exhibit A of the EPSA)
ISP		4,002	0.1%		internet reimbursement of \$12.95 per month for 9 months for economically disadvantaged students

					Instructional coaching for 10 teachers, Blackboard Connect, Testing Nirvana, Related Service Manager fees (See Section 7.2 and Exhibit A fo the EPSA)
	K12 Charges Other	30,111	0.5%		
	Non-K12 Other	19,500	0.3%		NWEA and unique curriculum
	Total Instruction - Students	\$ 2,416,233	42.0%		
	Student and Family Services				
	Special Ed Contracted Svcs & Other Related Exp.	\$ 220,090	3.8%		contracted provider services - speech therapy, occupational therapy, physical therapy, etc.
	School Events	5,000	0.1%		graduation and other school events
	Non-K12 Other	500	0.0%		
	Total Student and Family Services	\$ 225,590	3.9%		
	School Administration & Governance				
	Educational Services	\$ 360,460	6.3%		Educational services including Head of School, Operations Mgr, Academic Admin, EMIS Coord, Office Admin, enrollment mgt, fiscal mgt, etc. - 15% of revenue less deficit credit (See Sections 7.3 and 5.2 of the EPSA)
	Oversight/Sponsor Fee	171,088	3.0%		3% of state revenue
	Legal	10,000	0.2%		
	Auditing - External	6,000	0.1%		
	Board Development & Training	5,000	0.1%		
	Administrative & Support Staff Salaries	188,833	3.3%		Family Resource Coordinator, 4 Family Success Liaisons, and Compliance Liaison
	Administrative & Support Staff Benefits	57,500	1.0%		30.4% - includes payroll taxes, healthcare, STRS, etc.
	Administrative & Support Staff Bonus	9,442	0.2%		5% of salaries
	Non-K12 Other	6,600	0.1%		
	Total School Administration Governance	\$ 814,923	14.2%		
	Technology				
	Technology Services	\$ 402,396	7.0%		on-line school technology support, network mgt, etc. - 7% of revenue (See Section 7.4 of the EPSA)
	Total Technology	\$ 402,396	7.0%		
	Insurance / Facilities / Other				
	Rent	\$ 28,000	0.5%		rent for administration office
	Maintenance/Repair Facility	2,400	0.0%		
	Telephone	3,700	0.1%		
	Internet Connection	2,500	0.0%		
	Copier / Fax Lease	1,250	0.0%		
	Outside Copying	1,000	0.0%		
	Office Postage and Shipping	3,500	0.1%		
	Office Supplies and Equipment	5,000	0.1%		
	Computer Equip. installation	5,000	0.1%		
	General Liability Insurance	16,500	0.3%		
	Bank Fees	500	0.0%		
	Non-K12 Other	200	0.0%		
	Total Insurance / Facilities / Other	\$ 69,550	1.2%		
	Total School Expenditures This Period	\$ 5,748,510	100.0%		
	Surplus (Deficit)	\$ (0)	0.0%		

K12 Managed Public Schools and Military Base Programs
SCHOOL YEAR 2017-2018

BLENDED SCHOOL MODEL										
NAME OF SCHOOL	GRADES	YEAR OPEN	AREA SERVED	YEAR CURRENT CONTRACT BEGAN ³	CONTRACTEE	Enrollments (as of 10.1.17) ⁴	Sponsor/Authorizer	Sponsor/Authorizer Address	SCHOOL CONTACT INFORMATION ¹	
HILL HOUSE PASSPORT ACADEMY CHARTER SCHOOL	Gr. 9-12	2014	Pennsylvania (statewide permitted by charter)	2014	Hill House Passport Academy Charter School	150	Pittsburg Public School Board	341 S. Bellefield Ave. Pittsburg, PA 15213	TBD	
FULL TIME ONLINE SCHOOL MODEL										
NAME OF SCHOOL	GRADES	YEAR OPEN	AREA SERVED	YEAR CURRENT CONTRACT BEGAN	CONTRACTEE	Enrollments (as of 10.1.17) ⁴	Sponsor/Authorizer	Sponsor/Authorizer Address	SCHOOL CONTACT INFORMATION	
ALABAMA VIRTUAL ACADEMY AT EUFALA CITY	Gr. K-12	2015	Alabama (statewide)	2015	Eufaula City Schools	N/A	District Program (none)	333 State Docks Road, Eufaula, Alabama 36027	Kayleen Marble	kmarble@k12.com
ARIZONA VIRTUAL ACADEMY	Gr. K-12	2003	Arizona (statewide)	2010	Portable Practical Educational Preparation, Inc.	3,514	Arizona State Board for Charter Schools	1616 West Adams Street, Suite 170, Phoenix, AZ 85007	Kelly Van Sande	kvansande@k12.com
INSIGHT SCHOOL OF ARIZONA	Gr. 6-12	2012	Arizona (statewide)	2010	Portable Practical Educational Preparation, Inc.	888	Arizona State Board for Charter Schools	1700 W. Washington St. Executive Tower #300, Phoenix, AZ 85007	Kelly Van Sande	kvansande@k12.com
ARKANSAS VIRTUAL ACADEMY	Gr. K-12	2007	Arkansas (statewide)	2012	Arkansas Virtual Academy	2,092	Arkansas State Board of Education	#4 Capital Mall, Little Rock, AR 72201	Scott Sides	ssides@k12.com
CALIFORNIA VIRTUAL ACADEMY @ Fresno	Gr. K-8	2013	Fresno, Madera, Merced, Mono, Monterey, San Benito Counties	2012	California Virtual Academy @ Fresno	414	Orange Center Elementary School District	3530 South Cherry Ave. Fresno, CA 93706	April Warren	awarren@caliva.org
CALIFORNIA VIRTUAL ACADEMY @ Kings	Gr. K-12	2006	Kings County, California and Contiguous Counties	2012	California Virtual Academy @ Kings	1,621	Armona Elementary School District	11115 C Street, Armona, CA 93202	April Warren	awarren@caliva.org
CALIFORNIA VIRTUAL ACADEMY @ Los Angeles	Gr. K-12	2006	Los Angeles County, California and Contiguous Counties	2013	California Virtual Academy @ Los Angeles	2,614	West Covina Unified School District	1717 W. Merced Ave., West Covina, CA 91790	April Warren	awarren@caliva.org
CALIFORNIA VIRTUAL ACADEMY @ Maricopa	Gr. K-12	2013	Kern, Inyo, Santa Barbara, San Bernardino	2012	California Virtual Academy @ Maricopa	433	Maricopa Unified School District	955 Stanislaus St. Maricopa, CA 93252	April Warren	awarren@caliva.org
CALIFORNIA VIRTUAL ACADEMY @ San Diego	Gr. K-12	2002	San Diego County, California and Contiguous Counties	2012	California Virtual Academy @ San Diego	2,067	Spencer Valley School District	PO Box 159, Santa Ysabel, CA 92070	April Warren	awarren@caliva.org
CALIFORNIA VIRTUAL ACADEMY @ San Joaquin	Gr. K-12	2009	San Joaquin County, California and Contiguous Counties	2012	California Virtual Academy at San Joaquin	1,375	Stockton Unified School District	701 N. Madison, Stockton, CA 95202	April Warren	awarren@caliva.org
CALIFORNIA VIRTUAL ACADEMY @ San Mateo	Gr. K-12	2006	San Mateo County, California and Contiguous Counties	2012	California Virtual Academy @ San Mateo	762	Jefferson Elementary School District	101 Lincoln Ave., Daly City, CA 94015	April Warren	awarren@caliva.org
CALIFORNIA VIRTUAL ACADEMY @ Sonoma	Gr. K-12	2004	Sonoma County, California and Contiguous Counties	2012	California Virtual Academy @ Sonoma	615	Liberty Elementary School District	170 Liberty School Road, Petaluma, CA 94952	April Warren	awarren@caliva.org
CALIFORNIA VIRTUAL ACADEMY @ Sutter	Gr. K-12	2006	Sutter County, California and Contiguous Counties	2013	California Virtual Academy at Sutter	842	Nuestro Elementary School District	3934 Broadway Road, Live Oak, CA 95953	April Warren	awarren@caliva.org
INSIGHT CALIFORNIA @ MARICOPA	Gr. 9-12	2013	Kern, Inyo, Santa Barbara, San Bernardino	2012	California Virtual Academy @ Maricopa	383	Maricopa Unified School District	955 Stanislaus St. Maricopa, CA 93252	Kimberly Odom	kodom@k12insightca.org
INSIGHT CALIFORNIA @ SAN DIEGO	Gr. 9-12	2014	San Diego County, California and Contiguous Counties	2011	Insight School San Diego	174	Spencer Valley School District	4414 Highway 78/79, Santa Ysabel, CA 92070	Kimberly Odom	kodom@k12insightca.org
INSIGHT CALIFORNIA @ SAN JOAQUIN	Gr. 9-12	2014	San Joaquin County, California and Contiguous Counties	2014	Insight School San Joaquin	156	New Jerusalem Elementary School District	31400 S Koster Rd. Tracy, CA 95304	Kimberly Odom	kodom@k12insightca.org
iQ CALIFORNIA - LOS ANGELES	Gr. K-12	2010	Los Angeles County, California and Contiguous Counties	2010	iQ Academy, California—Los Angeles	470	N/A	N/A	Cathy Andrew	caandrew@iqcala.com
COLLEGE PREPARATORY ACADEMY - COLORADO	Gr. K-12	2013	Colorado (statewide)	2014	Colorado Digital Board of Cooperative Educational Services	1,384	N/A	N/A	Nicole Tiley	ntiley@k12.com

FULL TIME ONLINE SCHOOL MODEL										
NAME OF SCHOOL	GRADES	YEAR OPEN	AREA SERVED	YEAR CURRENT CONTRACT BEGAN ³	CONTRACTEE	Enrollments (as of 10.1.17) ⁴	Sponsor/Authorizer	Sponsor/Authorizer Address	SCHOOL CONTACT INFORMATION ¹	
DESTINATIONS CAREER ACADEMY (fka INSIGHT SCHOOL OF COLORADO)	Gr. 9-12	2011	Colorado (statewide)	2013	Julesberg School District	347	N/A	N/A	Teri Cady	tcady@k12.com
PIKES PEAK	Gr. 9-12	2015	Colorado (statewide)	2015	Colorado Digital Board of Cooperative Educational Services	536	N/A	N/A	Nicole Tiley	ntiley@k12.com
FRIENDSHIP PUBLIC CHARTER SCHOOL ONLINE	Gr. K-8	2015	District of Columbia School District (statewide)	2015	Friendship Public Charter School	145	D.C. Public Charter School Board	3333 14th St. NW, Washington, D.C. 20010	Tracey Sloane	jsloane@k12.com
FLORIDA CYBER CHARTER ACADEMY at CLAY COUNTY	Gr. K-9	2014	Clay County	2014	Northeast Florida Virtual Charter School Board, Inc.	40	School Board of Clay County	900 Walnut St. Green Cove Springs, FL 32043	Warren Buck	swilliams@k12.com
FLORIDA CYBER CHARTER ACADEMY at DUVAL COUNTY	Gr. K-12	2013	Duval County	2013	Northeast Florida Virtual Charter School Board, Inc.	359	School Board of Duval County	1701 Prudential Dr. Jacksonville, FL 32207	Warren Buck	swilliams@k12.com
FLORIDA CYBER CHARTER ACADEMY at OSCEOLA COUNTY	Gr. K-12	2012	Osceola County	2012	Central Florida Virtual Charter School Board, Inc.	126	School Board of Osceola County	817 Bill Beck Boulevard, Kissimmee, FL 34744	Warren Buck	swilliams@k12.com
FLORIDA CYBER CHARTER ACADEMY at PASCO COUNTY	Gr. K-12	2013	Pasco County	2013	Southwest Florida Virtual Charter School Board, Inc.	151	School Board of Pasco County	7227 Land O'Lakes Blvd. Land O' Lakes, FL 34638	Warren Buck	swilliams@k12.com
GEORGIA CYBER ACADEMY	Gr. K-12	2007	Georgia (statewide)	2014	Georgia Cyber Academy, Inc.	14,319	Georgia State Board of Education	205 Jesse Hill Jr. Drive SE, Atlanta, GA 30334	Andrew Oberg	mdarkin@k12.com
IDAHO COLLEGE AND CAREER READINESS (aka IDAHO TECHNICAL CAREER ACADEMY)	Gr. 9-11	2014	Idaho (statewide)	2014	Governing Board of the Idaho College and Career Readiness Academy, Inc.	113	Idaho State Board of Education Charter Commission	304 N 8th St, Room 242, Boise, ID 83702	Monti Pittman	mpittman@k12.com
IDAHO VIRTUAL ACADEMY	Gr. K-12	2002	Idaho (statewide)	2014	Board of Directors of the Idaho Virtual Academy	2,035	Idaho Public Charter School Commission	P.O. Box 83720, Boise, ID 83720-0037	Kelly Edginton	kedginton@k12.com
HOOSIER ACADEMIES VIRTUAL SCHOOL	Gr. K-12	2011	Indiana (statewide)	2013	Hoosier Academy, Inc.	3,342	Ball State University	2000 W University Ave, Muncie, IN 47306	Elizabeth Lamey	elamey@k12.com
INDIANA DIGITAL LEARNING SCHOOL	Gr. K-9	2017	Indiana (statewide)	2017	Union School Corporation (Modoc, IN)	N/A	N/A	N/A	Liz Sliger	esliger@k12.com
INSIGHT INDIANA	Gr. 7-12	2016	Indiana (statewide)	2016	Hoosier Academy, Inc.	800	Ball State University	2000 W University Ave, Muncie, IN 47306	Elizabeth Lamey	elamey@k12.com
IOWA VIRTUAL ACADEMY	Gr. K-12	2013	Iowa (statewide)	2012	Clayton Ridge Community School District	311	N/A	N/A	Steve Hoff	shoff@k12.com
INSIGHT SCHOOL OF KANSAS	Gr. 7-12	2014	Kansas (statewide)	2012	Spring Hill Unified School District No. 230	865	N/A	N/A	Cassandra Barton	cabarton@k12.com
KANSAS VIRTUAL ACADEMY	Gr. K-6	2013	Kansas (statewide)	2012	Spring Hill Unified School District No. 230	273	N/A	N/A	Cassandra Barton	cabarton@k12.com
LOUISIANA VIRTUAL CHARTER ACADEMY	Gr. K-12	2011	Louisiana (statewide)	2011	Community School for Apprenticeship Learning Inc.	1,913	Louisiana State Board of Education	1201 North Third Street, Baton Rouge, LA 70802-5243	Danielle Scott	pdaniel@k12.com
MAINE VIRTUAL ACADEMY	Gr. 7-12	2015	Maine (statewide)	2015	Maine Learning Innovations	354	Maine State Charter School Commission	182 State House Station, Augusta, ME 04333-0182	Jessi Thoman	jthoman@k12.com
MICHIGAN GREAT LAKES VIRTUAL ACADEMY	Gr. K-12	2013	Michigan (statewide)	2013	Michigan Great Lakes Virtual Academy	2,715	Manistee Area Public School District	550 Maple St., Manistee, MI 49660	Kendall Schroeder	kschroeder@k12.com
HIGHPOINT VIRTUAL ACADEMY OF MICHIGAN	Gr. K-8	2016	Michigan (statewide)	2016	Mesick Consolidated Schools	149	Mesick Consolidated Public Schools	P.O. Box 275, Mesick, MI 49668	Mary Moorman	mmoorman@k12.com
INSIGHT MICHIGAN	Gr. 7-12	2011	Michigan (statewide)	2014	Insight School of Michigan	775	Central Michigan University	1200 S. Franklin St., Mr. Pleasant, MI 48859	Teresa Boardman	tboardman@k12.com
MICHIGAN VIRTUAL CHARTER ACADEMY	Gr. K-12	2010	Michigan (statewide)	2015	Michigan Virtual Charter Academy	2,790	Grand Valley State University Charter Schools Office	201 Front Street, Suite 310, Grand Rapids, MI 49504	Andrei Nichols	annichols@k12.com
INSIGHT SCHOOL OF MINNESOTA	Gr. 6-12	2014	Minnesota (statewide)	2014	Independent School District 286, Brooklyn Center	273	Brooklyn Center School District	6500 Humboldt Ave N, Brooklyn Ctr, MN 55430	John Huber	jhuber@k12.com

FULL TIME ONLINE SCHOOL MODEL										
NAME OF SCHOOL	GRADES	YEAR OPEN	AREA SERVED	YEAR CURRENT CONTRACT BEGAN ³	CONTRACTEE	Enrollments (as of 10.1.17) ⁴	Sponsor/Authorizer	Sponsor/Authorizer Address	SCHOOL CONTACT INFORMATION ¹	
iQ ACADEMY MINNESOTA	Gr. K-12	2005	Minnesota (statewide)	2013	Independent School District No. 544, Fergus Falls	333	N/A	N/A	Theresa Gallagher	tgallagher@k12.com
MINNESOTA VIRTUAL ACADEMY ²	Gr. K-12	2002	Minnesota (statewide)	2011	Houston Public School District	1,515	Houston School District	306 E. Elm Street, Houston, MN 55943	Krin Abraham	krin.abraham@hps294.us
WHITE PINE - GREAT BASIN VIRTUAL ACADEMY	Gr. K-8	2016	Nevada (statewide)	2016	White Pine School District	214 (part of Lund ES & Jr. HS counts)	Nevada Department of Education	9890 S Maryland Pkwy, Las Vegas, NV 89183	Danny Diamond	dadiamond@k12.com
WHITE PINE - DESTINATIONS CAREER ACADEMY OF NV	Gr. 9-12	2016	Nevada (statewide)	2016	White Pine School District	58 (part of Steptoe Valley HS)	Nevada Department of Education	9890 S Maryland Pkwy, Las Vegas, NV 89183	Danny Diamond	dadiamond@k12.com
WHITE PINE - NEVADA PASSPORT ACADEMY	Gr. 9-12	2016	Nevada (statewide)	2016	White Pine School District	58 (part of Steptoe Valley HS)	Nevada Department of Education	9890 S Maryland Pkwy, Las Vegas, NV 89183	Danny Diamond	dadiamond@k12.com
NEVADA VIRTUAL ACADEMY	Gr. K-12	2006	Nevada (statewide)	2013	Nevada Virtual Academy	2,052	Nevada State Public Charter School	1749 Stewart Street, Suite 40, Carson City, NV 89706	Yolanda Hamilton	yhamilton@k12.org
NEW MEXICO VIRTUAL ACADEMY	Gr. 6-12	2012	New Mexico (statewide)	2012	The New Mexico Virtual Academy Governing Council	494	Farmington Municipal Schools	2001 North Dustin Ave., Farmington, NM 87401	Lynn Barr	lybarr@k12.com
NORTH CAROLINA VIRTUAL ACADEMY	Gr. K-12	2015	North Carolina (statewide)	2015	North Carolina Learns, Inc.	1,934	North Carolina State Board of Education	301 N Wilmington St, Raleigh, NC 27601	Joel Medley	jomedley@k12.com
INSIGHT SCHOOL OF OHIO	Gr. 6-12	2011	Ohio (statewide)	2013	Buckeye Urban Education Solutions	1,261	Buckeye Community Hope Foundation	3021 E Dublin-Granville Rd, Columbus, OH 43231	Amanda Conley	aconley@k12.com
OHIO VIRTUAL ACADEMY	Gr. K-12	2002	Ohio (statewide)	2007	Ohio Virtual Academy	8,685	Ohio Council of Community Schools	3131 Executive Parkway, Suite 306, Toledo, OH 43606	Kris Stewart	kstewart@k12.com
INSIGHT SCHOOL OF OKLAHOMA	Gr. 6-12	2013	Oklahoma (statewide)	2014	Insight School of Oklahoma, Inc.	414	Oklahoma Statewide Virtual School	2500 North Lincoln Boulevard, Suite 4-37, Oklahoma City, OK 73105	Sheryl Tatum	statum@k12.com
OKLAHOMA VIRTUAL CHARTER ACADEMY	Gr. K-12	2009	Oklahoma (statewide)	2014	Oklahoma Skynet, Inc.	2,429	Choctaw-Nicoma Park Public Schools	12880 NE 10th Street, Choctaw, OK 73020	Sheryl Tatum	statum@k12.com
INSIGHT OREGON PAINTED HILLS	Gr. 7-12	2015	Oregon (statewide)	2020	Mitchell School District	308	Mitchell School District	P.O. Box 247, Mitchell, OR 97750	Tim Jalkanen	tjalkanen@k12.com
OREGON VIRTUAL ACADEMY	Gr. K-12	2008	Oregon (statewide)	2013	Oregon Virtual Academy	2,116	North Bend Oregon School District	1913 Meade St., North Bend, OR 97459	Steve Werlein	swerlein@k12.com
INSIGHT PENNSYLVANIA CYBER CHARTER SCHOOL	Gr. K-10	2017	Pennsylvania (Statewide)	2017	Board of Directors of Insight Cyber Charter School	N/A	PA Department of Education	333 Market St., Harrisburg, PA 17126	Shannon McElwain	smcelwain@k12.com
CYBER ACADEMY OF SOUTH CAROLINA	Gr. K-12	2013	South Carolina (statewide)	2012	Cyber Academy of South Carolina	1,136	South Carolina Charter School District	3710 Landmark Dr, Columbia, SC 29204	David Crook	dcrook@k12.com
SOUTH CAROLINA VIRTUAL CHARTER SCHOOL	Gr. K-12	2008	South Carolina (statewide)	2013	South Carolina Virtual Charter School	3,689	South Carolina Public Charter School District	3710 Landmark Drive, Suite 201, Columbia, SC 29204	Cherry Daniel	cdaniel@scvcs.org
TENNESSEE VIRTUAL ACADEMY	Gr. K-8	2011	Tennessee (statewide)	2011	Union County, TN Board of Education	737	Union County School District	P.O. Box 10, Maynardville, TN 37807	Karen Ghidotti (acting HOS)	jwilliams@tnva.org
TEXAS ONLINE PREPARATORY SCHOOL	Gr. 3-12	2013	Texas (statewide)	2013	Huntsville Independent School District	936	N/A	N/A	Tina Littell (interim HOS)	tlittell@k12.com
TEXAS VIRTUAL ACADEMY	Gr. 3-12	2007	Texas - Regions 1-14 and 20 (Central)	2011	Responsive Education Solutions	6,399	Program of Charter Network Responsive Education Solutions	1301 Waters Ridge Drive, Lewisville, TX 75057	Tina Littell (interim HOS)	tlittell@k12.com
UTAH VIRTUAL ACADEMY	Gr. K-12	2008	Utah (statewide)	2007	Utah Virtual Academy	2,028	Utah State Charter School Board	250 East 500 South, P.O. Box 144200, Salt Lake City, UT 84114-4200	Stacey Hutchings	shutchings@k12.com
VIRGINIA VIRTUAL ACADEMY@ King and Queen County	Gr. K-2	2009	Virginia (statewide)	2015	King and Queen County Public Schools	N/A	King and Queen County School District	P.O. Box 97, 242 Allen's Circle, Suite M, 2nd Floor, King and Queen Court House, VA 23085	Suzanne Sloane	ssloane@k12.com

FULL TIME ONLINE SCHOOL MODEL										
NAME OF SCHOOL	GRADES	YEAR OPEN	AREA SERVED	YEAR CURRENT CONTRACT BEGAN ³	CONTRACTEE	Enrollments (as of 10.1.17) ⁴	Sponsor/Authorizer	Sponsor/Authorizer Address	SCHOOL CONTACT INFORMATION ¹	
VIRGINIA VIRTUAL ACADEMY@ Patrick County	Gr. K-7	2012	Virginia (statewide)	2013	School Board of Patrick County	N/A	School Board of Patrick County	104 Rucker St. Stuart, VA 24171	Suzanne Sloane	ssloane@k12.com
VIRGINIA VIRTUAL ACADEMY @ Richmond City	Gr. K-10	2016	Virginia (statewide)	2016	School Board of the City of Richmond	N/A	School Board of the City of Richmond	301 N 9th St, Richmond, VA 23219	Suzanne Sloane	ssloane@k12.com
INSIGHT SCHOOL OF WASHINGTON	Gr. 9-12	2006	Washington (statewide)	2012	Quillayute Valley School District	1,995	Quillayute Valley School District	411 South Spartan Ave., Forks, WA 98331	Cecily Kiester	ckiester@k12.com
WASHINGTON VIRTUAL ACADEMY Omak	Gr. K-12	2010	Washington (statewide)	2009	Omak School District	3,831	Omak School District	619 W. Bartlett, PO Box 833, Omak, WA 98841	Mark Christiano	mchristiano@k12.com
WISCONSIN VIRTUAL ACADEMY (K-8)	Gr. K-8	2009	Wisconsin (statewide)	2013	Four Lakes Education Inc. d.b.a. Wisconsin Virtual Academy	2,117	McFarland School District	5101 Farwell Street, McFarland, WI 53558	Nicholas Sutherland	nsutherland@k12.com
WISCONSIN DESTINATIONS CAREER ACADEMY	Gr. 9-12	2016	Wisconsin (statewide)	2016	Four Lakes Education Inc. d.b.a. Wisconsin Virtual Academy	68	McFarland School District	5102 Farwell Street, McFarland, WI 53558	Nicholas Sutherland	nsutherland@k12.com
WISCONSIN VIRTUAL ACADEMY HIGH SCHOOL	Gr. 9-12	2009	Wisconsin (statewide)	2013	Four Lakes Education Inc. d.b.a. Wisconsin Virtual Academy	989	McFarland School District	5103 Farwell Street, McFarland, WI 53558	Nicholas Sutherland	nsutherland@k12.com
INSIGHT WISCONSIN ⁵	Gr. 9-12	2017	Wisconsin (statewide)	2016	Four Lakes Education Inc. d.b.a. Wisconsin Virtual Academy	N/A	McFarland School District	5104 Farwell Street, McFarland, WI 53558	Nicholas Sutherland	nsutherland@k12.com
WYOMING VIRTUAL ACADEMY	Gr. K-12	2009	Wyoming (statewide)	2009	Niobrara County School District #1	N/A	Program of Niobrara County School District	619 West 5th Street, P.O. Box 629, Lusk, WY 82225	Nicole Tiley	ntiley@k12.com
MILITARY BASE MODEL										
NAME OF SITE	GRADES	YEAR OPEN	Associated School	YEAR CURRENT CONTRACT BEGAN	CONTRACTEE	Enrollments (as of 10.1.17) ⁴	Sponsor/Authorizer	Sponsor/Authorizer Address	SITE CONTACT INFORMATION	
JOINT BASES ANACOSTIA BOLLING - DISTRICT OF COLUMBIA	Gr. K-8	2013	Friendship Public Charter School Online	2013	Joint Base Anacostia Bolling Youth Center	N/A	N/A	N/A	Ann Lyons	alyons@k12.com
FORT BLISS - TEXAS	Gr. 3-12	2012	Texas Virtual Academy	2012	Mickelsen Community Library	N/A	N/A	N/A	Deborah Padilla	dpadilla@k12.com
FORT HOOD - TEXAS	Gr. 3-12	2012	Texas Virtual Academy	2012	Pending	N/A	N/A	N/A	Adriana Steinhaus	asteinhaus@k12.com
JOINT BASES SAN ANTONIO - TEXAS	Gr. 3-12	2011	Texas Virtual Academy	2011	Joint Base San Antonio Youth Centers	N/A	N/A	N/A	April Johnson	apjohnson@k12.com
PETERSON AIR FORCE BASE - COLORADO	Gr. K-12	2011	Colorado Preparatory Academy / Insight Colorado / Pikes Peak Online School	2014	Peterson Air Force Base Youth Center	N/A	N/A	N/A	Dixie Lambert	dlambert@k12.com
TINKER AIR FORCE BASE - OKLAHOMA	Gr. K-12	2010	Oklahoma Virtual Academy	2010	Tinker Air Force Base Youth Center	N/A	N/A	N/A	Christine Nichols	cnichols@k12.com
F.E. WARREN AIR FORCE BASE - WYOMING	Gr. K-12	2011	Wyoming Virtual Academy	2011	Laramie County Community College	N/A	N/A	N/A	Brianna Babcock	bbabcock@wvva.org
OTHER INSTRUCTIONAL MODELS										
NAME OF SCHOOL	GRADES	YEAR OPEN	AREA SERVED	YEAR CURRENT CONTRACT BEGAN	CONTRACTEE	Enrollments (as of 10.1.17) ⁴	Sponsor/Authorizer	Sponsor/Authorizer Address	SCHOOL CONTACT INFORMATION	
CHICAGO VIRTUAL CHARTER SCHOOL	Gr. K-12	2006	Chicago Public Schools District	2011	Chicago Virtual Charter School	654	Board of Education of the City of Chicago	1 N Dearborn St #950, Chicago, IL 60602	Dr. Richard Lebron	rlebron@k12.com
HOOSIER ACADEMIES INDIANAPOLIS	Gr. K-12	2008	Indiana (statewide)	2013	Hoosier Academy, Inc.	247	Ball State University	2000 W University Ave, Muncie, IN 47306	Elizabeth Lamey	elamey@k12.com

¹ School leader name and email address.

² K12 from 2011 to present. K12 has managed MNVA in varying grade configurations since 2002 (2002-2004: K-8; 2008-2011: (9-12); 2011-present: K-12;).

³ Current contract start year; earlier contracts may have existed with some schools.

⁴ Source: State Reported Enrollments. Schools without state reported enrollment figures are marked "N/A".

⁵ Insight School of Wisconsin enrollment figures are included in Wisconsin Virtual Academy's total enrollment figure.

Existing Design Applicants

Responses to questions in Sections A-D of “Existing Design Applicants” are based, when appropriate, on schools serving students with similar demographics and missions as proposed for ODLS and which receive similar educational products and services from our proposed management partner, K12.

A. Academic Program.

- **Provide evidence that the schools implementing the program are making academic achievement and growth progress as measured by their states’ systems of accountability.**

Three schools, recipients of educational products and services from K12, have similar missions as proposed for ODLS. These schools are Insight Arizona, Insight Ohio, and Insight Oklahoma. All three schools’ mission statements focus on serving academically at-risk students. All three schools grew during their first three years of operation, nearly doubling in size. Insight Arizona and Insight Oklahoma are evaluated under an alternative accountability framework due to the population the schools serve. It is expected that these schools will enroll students who generally perform below the state average on state assessments.

Insight Arizona 2015-16 and 2016-17 State Test Performance

Insight Arizona improved in 1 of 5 grade levels in math state assessments from 2015-16 to 2016-17. The school improved relative to the state averages in one grade level in math during these same years. Insight Arizona improved in 3 of 5 grade levels on state English Language Arts assessments from 2015-16 to 2016-17. The school improved relative to the state averages on English Language Arts state assessments in 3 grade levels during these same years.

Insight Arizona received a grade under the state’s alternative accountability system. Since 2014 the school has earned a C grade (2017-18 rating not yet available).

Grade	2015-2016 % School At or Above Proficiency	2016-2017 % School At or Above Proficiency	2015-2016 to 2016-2017 School Change in % Points	2015-2016 School to State Difference in % Points	2016-2017 School to State Difference in % Points	Difference Between School to State 2015-2016 to 2016-2017
7 Math	7.0%	5.0%	-2.0	-25.0	-29.0	-4.0
8 Math	6.0%	3.0%	-3.0	-21.0	-26.0	-5.0
HS Algebra I	13.0%	6.0%	-7.0	-24.0	-33.0	-9.0
HS Algebra II	8.0%	16.0%	+8	-22.0	-18.0	+4
HS Geometry	15.0%	8.0%	-7.0	-19.0	-25.0	-6.0
Aggregate Simple Mean	9.8%	7.6%	-2.2	-22.2	-26.2	-4.0

Grade	2015-2016 % School At or Above Proficiency	2016-2017 % School At or Above Proficiency	2015-2016 to 2016-2017 School Change in % Points	2015-2016 School to State Difference in % Points	2016-2017 School to State Difference in % Points	Difference Between School to State 2015- 2016 to 2016- 2017
7 ELA	21.0%	29.0%	+8	-20.0	-15.0	+5
8 ELA	10.0%	15.0%	+5	-23.0	-19.0	+4
9 ELA	26.0%	21.0%	-5.0	-8.0	-15.0	-7.0
10 ELA	13.0%	17.0%	+4	-16.0	-14.0	+2
11 ELA	20.0%	6.0%	-14.0	-10.0	-19.0	-9.0
Aggregate Simple Mean	18.0%	17.6%	-0.4	-15.4	-16.4	-1.0

Insight Ohio 2015-16 and 2016-17 State Test Performance

Insight Ohio improved in 3 of 5 grade levels in English Language Arts state assessments from 2015-16 to 2016-17, and improved in English Language Arts state assessments relative to the state averages in 2 grades levels over the same years. Insight Ohio also improved performance in math in 3 of 5 grade levels tested from 2015-16 to 2016-17. The school improved relative to the state in math in 3 grade levels over the same years.

Despite plans to apply for designation as a Dropout Prevention and Recovery (DOPR) school eligible to receive the alternative report card, the school was closed by its sponsor in June 2018 based on academic performance over the last three years. Insight Ohio received an F grade in 2015 and grades were not issued in 2016 and 2017.

Grade	2015-2016 % School At or Above Proficiency	2016-2017 % School At or Above Proficiency	2015-2016 to 2016-2017 School Change in % Points	2015-2016 School to State Difference in % Points	2016-2017 School to State Difference in % Points	Difference Between School to State 2015- 2016 to 2016- 2017
6 ELA	23.1%	16.7%	-6.4	-30.9	-43.5	-12.6
7 ELA	23.2%	23.6%	+0.4	-30.8	-35.6	-4.8
8 ELA	18.8%	23.8%	+5	-29.2	-26.5	+2.7
HS English I	22.1%	34.9%	+12.8	-33.3	-23.4	+9.9
HS English II	32.0%	28.0%	-4.0	-21.4	-27.0	-5.6
Aggregate Simple Mean	23.8%	25.4%	+1.6	-29.1	-31.2	-2.1

Grade	2015-2016 % School At or Above Proficiency	2016-2017 % School At or Above Proficiency	2015-2016 to 2016-2017 School Change in % Points	2015-2016 School to State Difference in % Points	2016-2017 School to State Difference in % Points	Difference Between School to State 2015-2016 to 2016-2017
6 Math	7.7%	16.7%	+9	-49.3	-43.5	+5.8
7 Math	17.4%	9.1%	-8.3	-37.6	-47.0	-9.4
8 Math	7.9%	21.1%	+13.2	-44.8	-33.8	+11
HS Algebra I	11.3%	14.8%	+3.5	-36.7	-30.5	+6.2
HS Geometry	17.6%	10.3%	-7.3	-31.4	-32.6	-1.2
Aggregate Simple Mean	12.4%	14.4%	+2	-40.0	-37.5	+2.5

Insight Oklahoma, 2016-17 State Test Performance

Insight Oklahoma only has one year of publicly-available state assessment data due to small n counts which does not permit year-over-year comparisons of school performance of how the school performed relative to the state over multiple years.

The Office of Education Quality and Accountability compared Insight Oklahoma’s performance to comparable peer districts in middle and high school. In 2015-16, Insight Oklahoma scored highest among peer districts in high school and scored second among peer districts in middle schools.

Insight Oklahoma received an F grade in 2015-16 and has been rated under the state’s new alternative accountability model for the last two years (2017-18 rating not yet available).

Subject	Grade	% School At or Above Proficient	% State At or Above Proficient	Difference between School and State % At or Above Proficient
ELA	7	26%	34%	-8
ELA	8	8%	34%	-26
ELA	10	18%	36%	-18
Mathematics	7	14%	34%	-20
Mathematics	8	5%	23%	-18
Mathematics	10	*	26%	
Science	10	15%	19%	-4
US History	10	31%	51%	-20

- **How are the schools that have implemented the proposed design meeting the mission-related goals they have established?**

An example of a school similar to the proposed ODLS that is successfully fulfilling their mission is Insight Oklahoma (ISOK). A report prepared by the Oklahoma Office of Education Quality and Accountability (OEQA) in September 2017 evaluated the school (see “Oklahoma School Performance Review” and “Executive Summary” at the end of **Attachment 9**). The State of Oklahoma has a comprehensive

evaluation process and Insight Oklahoma’s charter was recently successfully renewed by the Oklahoma State Virtual School Board. The Office of Educational Quality and Accountability identified “exemplary” or “best practices” of Insight Oklahoma that led to 41 separate commendations.

The OEQA report notes:

ISOK was founded in 2014 and is authorized by the Oklahoma State Virtual Charter School Board. ISOK is Oklahoma’s smallest Virtual Charter School with an enrollment that has stabilized at about 300 students. Their mission has always been to serve at-risk youth, and in 2017 they were authorized to officially operate as an alternative school. The Office of Educational Quality and Accountability identified “exemplary” or “best practices” of Insight School of Oklahoma that led to 41 separate commendations.

The OEQA surveyed 35 staff members and 75 parents regarding the school’s mission statement. Most ISOK staff and parents believe the school’s mission is focused on student success. A majority of the staff also believe the mission is reviewed and revised with stakeholder input.

• What are attendance and graduation rates of the schools?

As schools that serve under-credited students, we expect to see graduation rates below state averages. Many of these schools’ students enroll as juniors and seniors and are sufficiently behind in credits to negatively impact graduation rates. Insight Ohio and Insight Oklahoma demonstrated improved graduation rates in each year of operation. Insight Arizona experienced a large enrollment growth that effected the 2016 graduation rate cohort.

Four-Year Graduation Rates				
School Name	4-year "On-time" Cohort 2014	4-year "On-time" Cohort 2015	4-year "On-time" Cohort 2016	4-year "On-time" Cohort 2017
ISAZ	19.5%	38%	17.10%	Not yet available
ISOH	3.8%	7.40%	19.90%	Not yet available
ISOK	N/A	21%	34%	Not yet available

B. Organizational Capacity and Compliance

• What are the student and staff retention rates for each school?

Arizona and Oklahoma do not report mobility rates at the state-level. Insight Ohio had a state-reported mobility rate of 41.7 for 2016-17.

Internal records demonstrate that Insight Ohio improved its retention rate each year from 2014-15 to 2017-18. Insight Arizona’s retention rate has remained relatively flat from 2014-15 to 2017-18 in spite of the school doubling in size. Insight Oklahoma also doubled in size from 2014-15 to 2017-18, but the school’s retention declined during those years.

Student Retention Rates				
School	SY14-15	SY15-16	SY16-17	SY17-18
Insight Arizona	52.6%	52.9%	54.3%	49.2%
Insight Ohio	42.6%	44.3%	45.0%	47.8%
Insight Oklahoma	53.6%	48.9%	38.3%	35.7%

Teacher Turnover Rate

Insight Arizona, Insight Ohio, and Insight Oklahoma had an average teacher turnover rate of approximately 18 percent from 2014-15 through 2016-17.

- What is the name and contact information of your current authorizer/sponsor?**

Please see **Attachment 8** for the names and contact information for the authorizers/sponsors of K12 partner schools in SY 2017-2018.

The authorizer/sponsors for the three examples of K12 managed schools serving at risk students referenced in **A. Academic Program** above are:

- Insight School of Arizona
Sponsor: Arizona State Board for Charter Schools
1700 W. Washington Street
#300
Phoenix, AZ 85007
- Insight School of Ohio
Sponsor: Buckeye Community Hope Foundation
3021 E Dublin-Grandville Road
Columbus, OH 43231
- Insight School of Oklahoma
Authorizer: Oklahoma Statewide Virtual School
2500 North Lincoln Boulevard
Suite 4-37
Oklahoma City, OK 73105

- Please submit compliance reports from your current authorizer/sponsor for the last three school years.**

For an example of a compliance report from a current authorizer of a school serving students with similar demographics and missions as proposed for ODLS (ISOK), please see “Oklahoma School Performance Review” and “Executive Summary” (referenced above) at the end of **Attachment 9**.

- Do any schools have existing issues related to legal compliance? (For example, corrective action, probation, or suspension of operations (or threatened) by the authorizer/sponsor for deficiencies or noncompliance. If so, please explain and note how it was remedied.)**

Based on available information, none of K12’s partner schools have existing issues related to legal compliance.

- **Have any charter contracts been terminated, revoked, or non-renewed? If yes, please detail the reasons.**

K12 has entered into educational products and services agreements with some non-profit charter school boards whose charters, subsequently, were terminated. Based on available information, in addition to sponsor/authorizer termination for reasons such as the school not meeting some terms of the charter contract (e.g., academic performance) and fiscal management concerns, another reason for termination included the non-profit board surrendering its charter.

- **Have any management agreements been terminated or non-renewed? Please list reasons for any positive answers under this section.**

In the course of its business, K12 and its affiliates have entered into hundreds of public contracts with non-profit boards, districts, regional entities, state departments of education, and other partners. The terms of these contracts often change over time and some contracts are terminated or non-renewed by either party. Based on available information, reasons for management agreement termination or non-renewal have included negotiation of a new agreement; a decision by the partner to assume self-management of a school or program; changes in a partner's strategic plan; charter termination; financial considerations by either party; and K12 concerns about school governance and fiscal management.

- **What is the school's (or Operator's) process for attracting and retaining high quality employees?**

The Board will employ general education and special education teachers and support staff (e.g., Guidance Counselors, Advisors, FASTeam personnel, and Instructional Coaches). K12 will recruit and make recommendations to the Board about teacher and support staff hires.

Administrative staff will be employees of K12, including the Head of School (HOS) and other positions as may be necessary for the efficient operation of ODLS (e.g., Academic Administrator, Special Programs Manager, and Operations Manager). K12 will have the responsibility and authority for determining administrative staffing levels necessary to carry out its obligations to the Board.

Please see **Attachment 5** for a staffing plan and **Attachment 6** for sample job descriptions.

Teacher Recruitment and Hiring

It will be the goal of ODLS to employ the best teachers and administrators available. With assistance from K12, the Board will use multiple means of communicating and building relationships with potential candidates including job advertisements rich with content about the School and its online model; best practice employee referral programs; informational webinars and recruiter office hours; job and interview fairs, as well as active and passive candidate sourcing techniques. Jobs will be posted on various different media, including *Indeed.com*, *LinkedIn*, *CareerBuilder*, *Education Week*, *Monster.com*, and local media. The Board will make use of university relationships, social media, and available talent communities. The assessment process will incorporate situational, skills, competency, and behavioral methodologies. Candidate assessments will be applied through screening questionnaires; technical skills knowledge tests; and digital, phone, and in-person interviews.

ODLS will employ experienced educators. Teachers will have a bachelor's degree or higher, be state licensed, and demonstrate competency in a secondary subject area. If appropriate, teachers and other staff with bilingual skills will be recruited and hired. The faculty will include general and special education teachers at all appropriate grade levels. The number and types of teachers recruited will depend on

student needs from year to year. Ongoing enrollment may necessitate hiring throughout the year. Although ODLS will employ the teachers, **Attachment 6** includes a sample K12 teacher job description that the Board may replicate, if it chooses.

Prior to opening in the fall of 2019, the process to advertise for, select, and employ online instructional staff for ODLS will take place in the late spring of 2019. ODLS will partner with K12 to secure a corps of the highest quality teachers through K12's teacher recruitment and retention initiative, *Teach360*.

The *Teach360* recruitment and hiring process is coordinated by internal K12 recruiting staff with support from talent sourcing specialists and coordinators. Universities, ODLS branding, social media, "talent communities" – virtual environments where like-minded professionals can interact with K12 recruiting professionals to learn about the organization and opportunities-- and a K12 internal employee referral program provide additional avenues through which qualified employees will be sourced.

The *Teach360* initiative has screening steps that include a series of questions, eSkill screenings, and qualification reviews. Once qualified candidates are identified, ODLS' appropriate administrator(s) will take part in online and telephone interviews and provide an opportunity for the candidates to perform a lesson plan audition.

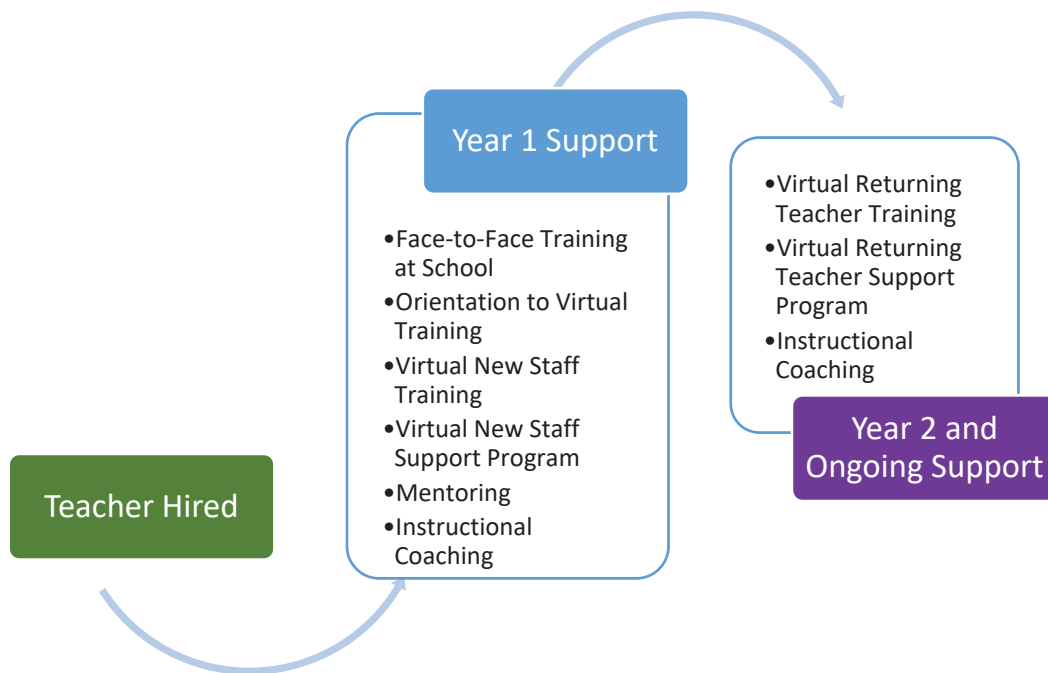
The final steps include collection of references and facilitation of background checks. Candidates must comply with all state laws requiring fingerprinting and other documentation for applicants who have completed the interview process. K12 will also provide the Board with background information on finalists for each position as well as an opportunity to review finalists if the Board so chooses, and a reasonable time for the Board to provide K12 with comments regarding the finalists.

Teacher Professional Development

In order to monitor and support teachers as they implement the instructional programming, the Board will contract with K12 to provide a robust professional development program as it pertains to virtual learning and associated best practices. The School will provide professional development based on the School's mission, culture, student data analysis, and state required annual professional development for all teachers and other staff. Professional development will be a year-long pursuit focused on providing teachers with the skills and competencies required to meet the needs of students and their families. Each teacher will have an Individual Development Plan that is a combination of required professional development as deemed appropriate by their tenure or as identified by an administrator as an area where development is needed, and other optional offerings particular to their areas of interest.

During a teacher's first year, K12 will provide new teachers with Virtual New Staff Training, Virtual New Staff Support Program, a mentor, and an Instructional Coach (IC) for math and English Language Arts teachers. Returning teachers will receive refresher training through the Virtual Returning Teacher Training, Virtual Returning Teacher Support Program, and one-on-one instructional coaching. Both new and returning teachers will also be provided with monthly professional development opportunities through K12.

K12 Teacher Training and Support Life Cycle



Virtual New Staff Training

New teachers hired at ODLS will be Ohio licensed teachers and generally highly experienced. The K12 provided Virtual New Staff Training introduces teachers to the K12 model, curriculum, systems, communication, instruction, and community through customizable paths, using synchronous and asynchronous learning and is intended to complement school-specific, school-delivered start-up training for new staff.

This training includes an orientation plus modules delivered in a variety of synchronous and asynchronous formats. This time is also used for teachers to work from their home environments, practicing skills they learn during the training and familiarizing themselves with the tools of the learning management systems such as lesson planning and tracking student progress. Throughout start-up and the school year, new teachers are provided a school-based mentor to help them adapt to local school policy and practices. At the end of the Virtual New Staff Training each new teacher is also assigned an IC to offer support as they transition to teaching in the virtual environment.

Teacher In-Year Support Programs (ongoing)

K12 is committed to providing a seamless layer of support for teachers beyond the 30 days of start-up or refresher training provided in Virtual New Staff Training and Virtual Returning Teacher Training. Both the K12 New Teacher Support Program and Virtual Returning Teacher Support Programs were created to provide continuous support to teachers through one-on-one instructional coaching at the school level, as well as extensive assistance through school-level group meetings and staff development built on the foundation established in the new and returning teacher trainings. These programs are comprehensive wrap-around training and support programs for new and returning teachers that include an IC, induction activities, and targeted training.

Additional support is provided in the following manner:

- A trained IC works directly with each teacher to observe lessons and to offer feedback prior to formal administrative observations.
- ICs work collaboratively with each new teacher to develop an Individual Development Plan, based on the observation and professional goals identified during the welcome meeting. Collectively, ICs work together to create year-long support plans tailored to meet the specific needs of the School's teachers.
- Support group meetings are conducted for new teachers to foster professional growth particularly of first year teachers through collaboration, dialogue, and reflection on the practice and profession of virtual teaching.

Instructional Coaching

The instructional coaching program model is a research-based design (research examples in footnote).¹ ICs work closely with math and English language arts teachers through observation and support. ICs are focused on teacher actions and student outcomes. Research supports an IC role that is entirely focused on supporting teachers, thus ICs do not carry a student load. The IC is a non-evaluative peer to the teacher who works with the teacher on a regularly set schedule. ICs support, guide, and teach teachers how to be more effective, but they do not discipline, prepare, or have input in formal evaluations of teachers.



ICs will be assigned to math and English language arts teachers based on their expertise in subject areas and grade bands. Each IC will have no more than thirty teachers to work with at any given time. There will be two IC paths: one for teachers new to virtual learning or teachers who need improvement and another path assigned to veteran teachers who have mastered their skills.

¹ Hattie, J., & Timperley, H., (2007). The power of feedback. *Review of Educational Research*, 77(1), 81-112. DOI: 10.3102/003465430298487.

Knight, Jim, (2007). *Instructional Coaching: A partnership approach to improving instruction*. Corwin Press

Marzano Research Laboratory (marzanoresearch.com) Marzano, R.J. (2003). *What Works in Schools*. Alexandria, VA: ASCD .

Roberts, S. M., & Pruitt, E. Z. (2009). *Schools as professional learning communities: Collaborative activities and strategies for professional development* (2nd ed.). Thousand Oaks, CA: Corwin Press.

School Based Training

Professional development will be a partnership between the School and K12 and provided for all ODLS staff as required by role and/or licensure. In addition to K12 provided professional development opportunities, ODLS will provide a local professional development program that is aligned to the School's comprehensive continuous improvement plan, curriculum map and assessment calendar, providing opportunities to instructional and support staff for growth in data-driven instruction, instructional practices, and instructional leadership. ODLS' school based professional development program will address the needs of experienced as well as new teachers and administrators.

Administrative Staff Recruitment and Hiring

The administrative staff, employed by K12, will manage the School, handling all day-to-day academic, operational, and management issues. School leaders will be administrators with demonstrated leadership experience. Staff will be expected to demonstrate expertise in curriculum, instruction, assessment, finance, facilities, business management, governance, and administration based on their positions. K12 will have the responsibility and authority for determining administrative staffing levels necessary to carry out its obligations to the Board.

Like teaching staff, administrative staff will be recruited with advertisements in well-known education trade publications such as *Education Week*, via online job recruitment sites such as *Monster.com*, and in local media. K12 will also consider referrals from current employees and draw on its partnerships with various universities to source qualified staff. Administrative staff candidates will be selected and interviewed by the HOS and Academic Administrator. After checking references for final candidates, the HOS will make hiring recommendations to K12. Administrative staff will abide by all required finger printing and background check regulations per the Ohio Revised Code.

Head of School

The Head of School (HOS) has not yet been selected. This is a crucial role to the School and will be among the first employees hired. While it is possible that the ODLS HOS may be an already experienced HOS that transfers from a different K12 managed school, K12 also actively builds a pipeline of qualified Heads of School through its *Grow Emerging Leaders Program*. The *Grow Program* is designed to identify and build the leadership skills of emerging leaders in K12 managed schools. The program includes a multi-day, teambuilding summit at K12 headquarters; virtual leadership seminars to develop specific skills of an effective school leader; Community of Practice to provide emerging leaders the opportunity to engage with other aspiring leaders; and a self-directed leadership project to highlight their strengths and solve authentic school-based challenges.

If the ODLS HOS is new to this role, the HOS will enter into an extensive training program through K12 known as *Lead360* which focuses on school leadership development and school improvement support. Its goals are to ensure that every K12 managed public school has exceptional leadership at its helm and to partner with struggling schools to build sustained school improvement in identified areas of need. *Lead360* builds and enhances HOS leadership practice and effectiveness through individualized leadership plans, collaborative training and development, and a high level of support and feedback.

Other School Administrator Training

School Administrator Training for other school leaders such as the Operations Manager, Academic Administrator, and Special Programs Manager will consist of face-to-face training and synchronous sessions on Blackboard Collaborate or a similar web conferencing platform as well as access to online reference tools. The online synchronous sessions are designed for a wide range of administrative staff

members (other than the HOS) who have significant differences in their day-to-day responsibilities of working with students and teachers of various grade levels. These synchronous sessions are designed and delivered by K12's Academic Services Division, which is comprised of Master Educators (staff who have a master's degree or higher and 5-10 years of prior experience teaching or in administration of virtual schools) who have vast and demonstrated experience and expertise in K12's network of public school programs.

There are four required training assignments for administrators as well as an ongoing focus for the year:

1. Orientation to Training: This live session provides a context for training, knowledge of the path for assistance, an awareness of best practices, and a plan for next steps.
2. New Administrator Customized Training Plan: This is a guide provided to new administrators to assist them in creating a customized training plan that effectively addresses their own job. Each new administrator provides her/his training plan to the administrator's supervisor or designated reviewer.
3. Class Connect Basics: This is a series of four synchronous sessions that introduces the use of the web conferencing tool, Blackboard Collaborate, for direct instruction in the virtual classroom and for running school related meetings.
4. Data-Driven Instruction: This training provides an overview of several topics critical to virtual instruction, including the use of assessment tools to drive individualized instruction.

Administrators will have ongoing monthly synchronous professional development via a series of lessons crafted to a pre-determined area of focus for raising student achievement. These sessions will provide opportunities for school leaders to engage in ongoing leadership development and communities of practice through collaboration across K12's network of school leaders.

In addition to the required training assignments, all staff will be trained to identify and serve English Learner students. Professional development will focus on research-based bilingual/ multicultural programs and implications for instruction, best practices of English as a Second Language, English Language Development, and/or language revitalization programs and the principles of language acquisition.

• What are the frequency and results of parent satisfaction surveys?

Students First Check In Program

The Students First Check In ("pulse check") program will offer short, scheduled surveys sent seven times per academic year to Learning Coaches of students. The purpose of the program is to:

- Provide an easy and convenient method for families to request help
- Identify families who may need additional support
- Inform the development of relevant programming and resources for students, parents, and school staff
- Deepen connections with families

The Students First Check In surveys will include a scaled question about overall satisfaction and an open-ended question with the opportunity to provide a more detailed response. Scaled questions will include response options from 1 (least positive) to 7 (most positive). Surveys will be emailed to Learning Coaches of active students on Monday mornings and will remain open until Thursday afternoons for scheduled weeks only. For families with multiple students, only one survey will be sent to each family. Satisfaction will be measured by individual family and examined in aggregate for trends survey to

survey and year over year. Immediate and ongoing outreach will occur for families that are dissatisfied or decreasing in satisfaction as well as other criteria.

Parent Satisfaction Surveys

The Market Research Group at K12 Inc. continuously collects parent feedback in order to enhance and improve the operation of the School both online and offline. The Market Research Group will conduct two parent satisfaction surveys among ODLS parents – one parent satisfaction survey in the fall (after the beginning of the school year) and the other in the spring (at the end of the school year). The fall parent satisfaction survey is aimed at understanding the parents' start up experience, while the spring parent satisfaction survey is meant to understand the holistic family experience throughout the school year. Survey topics include the enrollment process, curriculum, instruction, learning management system, administration, support, quality of materials, student progress, student attitude towards learning, communication, and interaction with other ODLS students and parents.

Parents provide in depth information and feedback about their experience during the school year in these satisfaction surveys. The analysis and reports are shared with various functions within the K12 organization as well as ODLS to help facilitate action plans to address gaps in service delivery and develop best practices.

In this application response, we provide three sets of findings from the following surveys of parents of K12 students in 2018:

National and Ohio K12 Parent Satisfaction Survey Findings

1. Spring 2018 K12 National Satisfaction Survey Grades K-8 and High School Parents

This survey was conducted in May 2018.

- A total of 45,947 K-8 parents and 41,771 High School parents were invited to participate in the survey.
- Of those who completed, 6,959 were K-8 parents and 4,100 were High School parents.

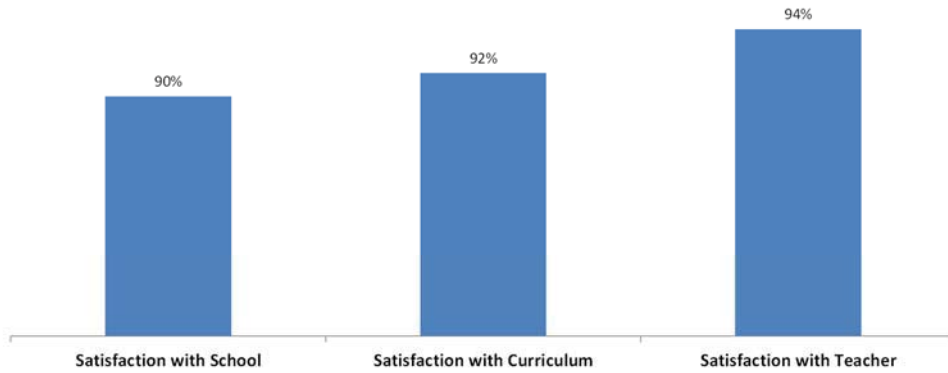
Overall, K-8 national satisfaction scores are high. The strongest score is satisfaction with teacher at 94%.



K-8 National Satisfaction Measures

(Top-3 box scores on a 7-point scale: 7=Very satisfied to 1=Very dissatisfied)

Base: 6,959 respondents



Don't know excluded from base.

Q. How would you rate your overall satisfaction with [School Name] this year? / Q. Now, thinking about the curriculum, how would you rate your overall satisfaction with the curriculum this year? / Q. In general, how would you rate your satisfaction with your student's primary teacher? (Base: 6,959 respondents)

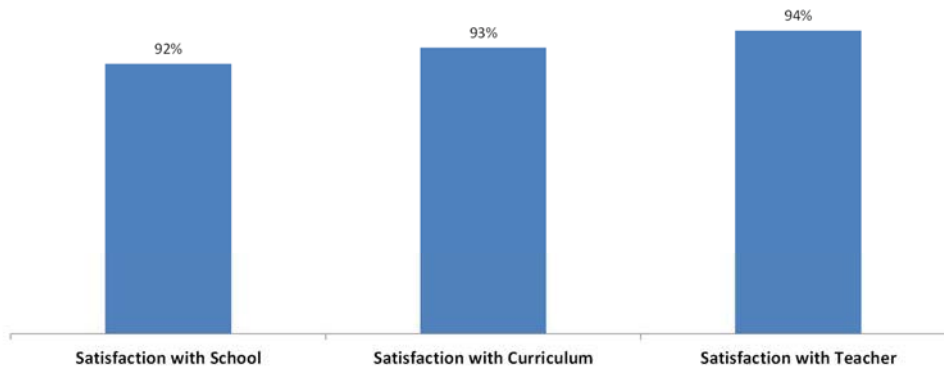
COMPANY CONFIDENTIAL 1

High School national satisfaction scores are high with all above 90%.



High School National Satisfaction Measures

(**Top-3 box** scores on a 7-point scale: 7=Very satisfied to 1=Very dissatisfied)
Base: 4,100 respondents



Don't know excluded from base.

Q. How would you rate your overall satisfaction with [School Name] this year? / Q. How would you rate your overall satisfaction with the curriculum this year? / Q. In general, how would you rate your satisfaction with your student's teachers in main/core courses (math, history, science, and English)? (Base: 4,100 respondents) COMPANY CONFIDENTIAL 2

- 90% of K-8 parents and 92% of High School parents on a national level are satisfied with their K12 powered school.
- 92% of K-8 parents and 93% of High School parents on a national level are satisfied with the K12 curriculum.
- 94% of K-8 parents and 94% of High School parents on a national level are satisfied with their student's teacher(s).

2. Spring 2018 K12 Parent Satisfaction Survey for Ohio Virtual Academy (OHVA) Grades K – 8 and High School

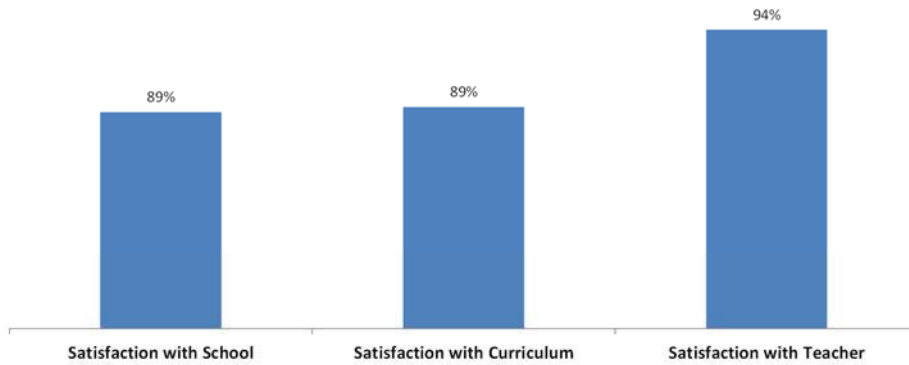
- This survey data is a subset of the Spring 2018 National Satisfaction Survey Grades K-8 and High School Parents conducted in May 2018.
- Of the parents who were invited to take the Spring 2018 National Satisfaction Survey Grades K-8 and High School Parents, 5,624 were K-8 OHVA parents and 5,042 were High School OHVA parents.
- Of those who completed the Spring 2018 National Satisfaction Survey Grades K-8 and High School Parents, 649 were K-8 OHVA parents and 384 were High School OHVA parents.

Overall, OHVA K-8 satisfaction scores are strong, particularly satisfaction with teacher at 94%.



K-8 OHVA Satisfaction Measures

(**Top-3 box** scores on a 7-point scale: 7=Very satisfied to 1=Very dissatisfied)
Base: 649 respondents



Don't know excluded from base.

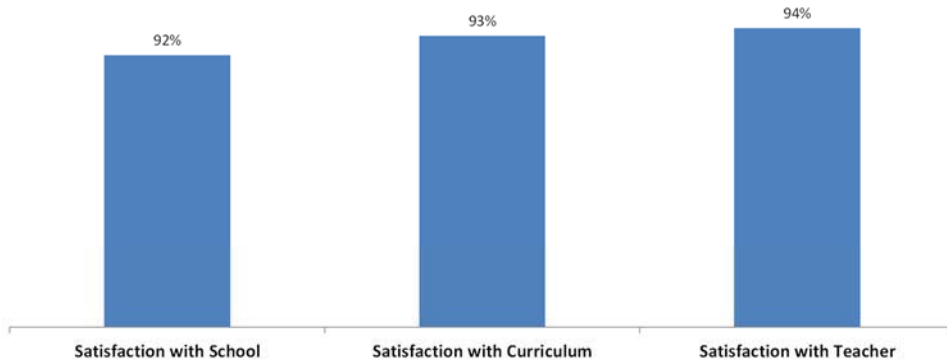
Q. How would you rate your overall satisfaction with [School Name] this year? / Q. Now, thinking about the curriculum, how would you rate your overall satisfaction with the curriculum this year? / Q. In general, how would you rate your satisfaction with your student's primary teacher? (Base: 649 respondents) COMPANY CONFIDENTIAL 3

OHVA High School satisfaction scores are high with all three measures above 90%. Satisfaction with OHVA teachers is the highest of the three measures at 94%.



High School OHVA Satisfaction Measures

(**Top-3 box** scores on a 7-point scale: 7=Very satisfied to 1=Very dissatisfied)
Base: 384 respondents



Don't know excluded from base.

Q. How would you rate your overall satisfaction with [School Name] this year? / Q. How would you rate your overall satisfaction with the curriculum this year? / Q. In general, how would you rate your satisfaction with your student's teachers in main/core courses (math, history, science, and English)? (Base: 384 respondents) COMPANY CONFIDENTIAL 4

- 89% of K-8 OHVA parents and 92% of High School OHVA parents are satisfied with Ohio Virtual Academy.
- 89% of K-8 OHVA parents and 93% of High School OHVA parents are satisfied with the K12 curriculum.
- 94% of K-8 OHVA parents and 94% of High School OHVA parents are satisfied with their student’s teacher(s).

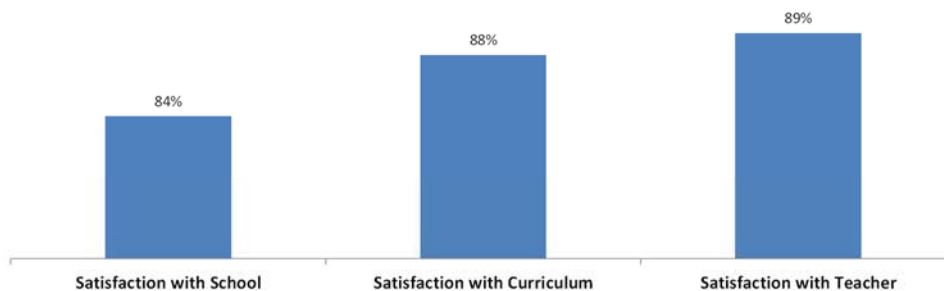
3. Spring 2018 K12 Parent Satisfaction Survey for Insight School of Ohio (ISOH) High School Grades (a school which served students with similar demographics as ODLS)

- This survey data is a subset of the Spring 2018 National Satisfaction Survey of High School Parents conducted in May 2018.
- Of the parents who were invited to take the Spring 2018 National Satisfaction Survey of High School Parents, 189 were K-8 ISOH parents and 1,096 were High School ISOH parents.
- Of those who completed the Spring 2018 National Satisfaction Survey of High School Parents, 17 were K-8 ISOH parents and 75 were High School ISOH parents.
- Note base size for K-8 ISOH parents is too small to report (base size is less than 30 respondents).

ISOH High School satisfaction with the curriculum and teacher are strong at 88% and 89% respectively.



High School ISOH Satisfaction Measures
(**Top-3 box** scores on a 7-point scale: 7=Very satisfied to 1=Very dissatisfied)
Base: 75 respondents



Don't know excluded from base.
Q. How would you rate your overall satisfaction with [School Name] this year? / Q. How would you rate your overall satisfaction with the curriculum this year? / Q. In general, how would you rate your satisfaction with your student's teachers in main/core courses (math, history, science, and English)? (Base: 75 respondents) COMPANY CONFIDENTIAL 5

- 84% of High School ISOH parents are satisfied with Insight School of Ohio.
- 88% of High School ISOH parents are satisfied with the K12 curriculum.
- 89% of High School ISOH parents are satisfied with their student’s teacher(s).

C. Financial Viability

Answers in Section C are being provided in regard to the K12 management company based on available information. When available, we have noted which answers address K12 partner schools in general. Where appropriate, some answers provide information specific to examples of schools for at-risk students (similar to the demographics projected for ODLS students) with whom K12 partners.

• Are any schools on financial probation, or have they filed for bankruptcy?

Based on available information, K12 is not aware of any partner school that is on financial probation or has filed for bankruptcy. K12 is in a unique position to bring nearly twenty (20) years of experience to the relationship and is able to financially assist partner schools with the capital needed on the front end to start a school, which the school might not otherwise have access to. K12 enters into service agreements with partner schools where it assumes a level of financial risk in the relationship to ensure a balanced budget but also to incentivize the financial viability and sustainability of partner schools.

• What are the ending fiscal year net assets of all schools for the past three years?

The table below includes the ending fiscal year net assets for the three schools referenced above as recipients of educational products and services from K12 and having similar missions as proposed for ODLS (Insight Arizona, Insight Ohio, and Insight Oklahoma)

FISCAL YEAR NET ASSETS			
SCHOOL	2014-2015	2015-2016	2016-2017
AZVA/ISAZ *	\$ 7,314,064	\$ 8,441,496	\$ 8,984,333
ISOK	\$ 1,085	\$ 10,254	\$ 2,359
ISOH **	\$ 0	\$ 0	\$ -0

* Financials are a consolidation of 2 programs (Arizona Virtual Academy (AZVA) and Insight Arizona)
* *Excluding GASB 68

• What are the schools' student enrollment targets for the past three years?

The table below includes the student enrollment targets for the past three years for the three schools referenced above as recipients of educational products and services from K12 and having similar missions as proposed for ODLS (Insight Arizona, Insight Ohio, and Insight Oklahoma).

SCHOOL	SY2015-2016	SY2016-2017	SY2017-2018
ISAZ	1,052	948	1,090
ISOK	338	339	365
ISOH	1,181	1,489	1,667

• For the last three school years, please submit all monthly and year-end financial statements and audit reports.

Please see the financial statements and audit reports for ISAZ, ISOH, and ISOK at the end of **Attachment 9**.

D. Capacity to Replicate

- **What are your plans to replicate this model for the upcoming school year?**

The Ohio Digital Learning School Board does not intend to replicate the Ohio Digital Learning School (ODLS) model in Ohio after ODLS opens in SY2019-2020.

- **What resources exist which will support replication?**

While the Ohio Digital Learning School Board does not intend to replicate the ODLS model in Ohio, our proposed management partner, K12, has the capabilities to support and manage virtual and blended school models including Dropout Prevention and Recovery Schools. K12 Inc. is a technology-based education company offering proprietary and third party curriculum, software systems and educational services designed to facilitate individualized learning for students primarily in kindergarten through 12th grade. Their learning systems combine curriculum, instruction and related support services to create an individualized learning approach well-suited for virtual and blended public schools including charter schools, school districts, and private schools that utilize varying degrees of online and traditional classroom instruction, and other educational applications. K12 Inc. is accredited by AdvancED, a non-profit international accreditation agency for schools, districts, education service agencies, postsecondary institutions, and corporations.

As an innovator in K-12 online education, K12 believes they have attained distinctive core competencies that allow them to meet the varied needs of their school customers and students. These core competencies include their ability to create engaging curriculum, train teachers in effective online instruction, provide turnkey management services to online schools, customize online learning programs for school districts, and develop innovative new offerings. These factors enable them to provide products and services including curriculum, learning systems, management expertise, logistical systems, and marketing.

K12 continues to make significant capital investments intended to improve student academic outcomes, including the: (i) ongoing development and enhancement of their current and next generation curriculum and software; (ii) addition of new features to their proprietary learning management platform for K-5 students; (iii) strengthening their corporate and school infrastructure to increase data security, protect student privacy, and ensure compliance with evolving reporting and regulatory requirements; (iv) procurement and delivery of student computers; and (v) conversion of interactive instructional products to enable delivery through tablets and mobile devices.

Their Managed Public School (MPS) Programs business includes both virtual and blended public schools where an independent charter board or school district contracts with K12 for a full-time program of educational products and services. These programs offer an integrated package of systems, services, products, and professional expertise that they manage to support an online or blended public school, including: administrative support (e.g., budget proposals, financial reporting, student data reporting, and staff recruitment), information technology and provisioning, academic support services, curriculum, learning systems, and instructional services. For fiscal year 2018, K12 provided these turnkey Managed Public School Programs to 75 schools in 31 states and the District of Columbia.

Virtual Public Schools. In full-time virtual public schools, students receive online lessons over the Internet, utilize offline learning materials that K12 supplies, and receive instruction from state certified teachers. In addition to providing K12 courses, course materials and, in certain cases, student computers, they also offer these schools a variety of administrative management,

technology and academic support services. The majority of their revenue (85% in FY2018) is derived from multi-year service agreements with the governing authorities of these virtual public schools.

Blended Public Schools. Blended public schools combine online learning and face-to-face instruction in a physical learning center.

For both virtual and blended Managed Public School Programs, the governing authority that exercises ultimate control over the schools negotiates contractual terms with K12 or a subsidiary such as K12 Virtual Schools LLC for specific aspects of the management of the schools, including: the creation and implementation of the academic plan; monitoring academic achievement; recommendations for teacher hires; teacher training; recommended compensation plans for school personnel; financial management; enrollment processing; and development and procurement of curriculum, equipment and required services. The scope of services they provide may also vary in accordance with applicable state regulations and each governing authority's policies.

K12 School Management and Services Team

K12's School Management and Services team is composed of several teams of professionals who are experts in educational products and services. K12 administrative staff is provided from both K12 regional teams and from staff in the company's headquarters in Herndon, Virginia.

Academic Services

The Academic Services Team provides support to schools in the development, implementation and execution of the Academic Excellence Framework, which focuses on seven guiding standards: instruction, assessment, observation and feedback, data-driven instruction, culture, staffing and professional development. Through improvement-focused instructional leadership, intentional planning, and collaboration, they support school leaders in developing the academic models and systems needed to improve student learning and outcomes. Key areas of focus include:

- Academic Excellence Framework
- Academic Leaders Professional Development, Mentoring, & Coaching
- NCAA, AdvancED, and Accreditation
- Assessment Programs
- Academic program and pilot management
- MPS Product Management

Product Management

The Academic Services Product Management Team collaborates and advocates for schools by identifying, evaluating, and implementing products and programs that improve the overall learning experience. Product Management is actively focused on:

- Platform Upgrades
- Course Solutions (requirements, selection, summer school, course shells, customization)
- Programs (social emotional learning, credit recovery, student onboarding, remediation)
- Career Technical Education (CTE programs of study, CTE state requirements, CTE course requirements and procurement, college and career platform management and procurement)
- Ongoing academic pilots and research

School Operations

The School Operations Team provides support to School Operations Managers and other school staff who perform Operations-related functions in the K12 systems. The team is focused on providing tools and data that supports and improves processes at the school level, such as:

- School Level Implementation Metrics

- School Special Education Enrollment Documents
- Shared Practices, Leadership, and Tips & Tricks
- Project Management

Student and School Success

The Student Success team is focused on the important task of supporting students and families from the onboarding process through to ongoing engagement and non-academic supports that help students and families persist with an improved focus on academic progress. The Student Success Team is actively focused on partnering with schools and regional/national teams to improve the end to end student journey and ultimately help transform the virtual school model.

The team consists of the following elements:

- Strong Start and onboarding
- Voice of the Family
- School communication plans
- Advisor and Counselor support
- Family Academic Support Team (FASTeam) programming
- Student and Family programming

Lead360

The Lead360 Team is an integral part of the larger school services team focused on school leadership development and school improvement support. Their goals are to ensure that K12 has exceptional school leadership at the helm of each school and to partner with struggling schools to build sustained school improvement through research-based school turnaround practices. Lead360 supports school leadership development in the following ways:

- Defining K12 School Leadership Excellence
- Leadership Succession Planning
- New Leader Onboarding and Induction
- Continuing Leadership Professional Development
- Peer Leadership Supports (Mentoring/Coaching/Problems of Practice)
- Regional Leadership Support and Training

Special Programs

The K12 Special Programs team provides support, advocacy, resources and professional development in the areas of:

- Related services
- All areas of special education- compliancy and academic success
- Special Education enrollment
- High school placement/Special Projects specific to enrollment
- English Language Learners, 504, RTI/MTSS, Federal Title programs
- Assistive technology
- Advanced Learners/Gifted & Talented

Teach360

The Teach360 team partners with schools to help their staff acquire, hone, and demonstrate the knowledge, skills, and techniques that allow them to lead students to exceptional academic achievement and personal growth, while deepening their professional expertise and their impact in the field of education. The Teach360 team is actively focused on school staff:

- Online Support (Help Desk, FAQs, Support Articles, WalkMe)
- Staff Training and Professional Development (Onboarding, Teacher Competencies, Southern New Hampshire University Partnership, Supporting Implementation of Academic Framework)

- Instructional Coaching (Coaching Consultancy, Teacher Observation, Reflection Discussion, Problem of Practice)
- Teacher Community (Facebook, Teacher Ambassadors, Online Community Building)

K12 Back-Office Services

K12 has more than 17 years of experience as a full-time virtual education service provider including a track record of helping virtual public schools achieve successful state program and financial audits in various states. K12 will provide ODLS with the administrative services and systems necessary for the School to comply with all reporting requirements established by OCCS and the Ohio Department of Education. K12 has the capacity for back office financial support and management in accounting, budget analysis and cash flow analysis, and monitoring provided by K12 regional staff as well as central office staff. K12’s operational skills include establishing the Schools’ chart of accounts and accounting system, payroll and benefits management, inventory/asset management and tracking, invoicing, insurance management, financial reporting, and day-to-day business operations. K12 will provide the Board and the School with the financial expertise, personnel, and support necessary to deliver budgeting, financial reporting, and management services.

- **Please provide contact information for at least two of your existing sponsors/authorizers.**

Below is the contact information for two authorizers of schools receiving K12 educational products and services.

<p><u>Michigan Great Lakes Virtual Academy</u> Authorizer: Manistee Area Public School District 550 Maple St. Manistee, MI 49660</p>	<p><u>Wisconsin Virtual Academy/Insight</u> <u>Wisconsin/Wisconsin Destinations Career Academy</u> Authorizer: McFarland School District 5101 Farwell Street McFarland, WI 53558</p>
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- E. Management Partnerships**
- **Provide a copy of the proposed or a current management agreement.**

The Ohio Digital Learning School Board intends to enter into an EPSA (see draft agreement in **Attachment 1**) with K12 Virtual Schools LLC, a subsidiary of K12 Inc. K12 drives innovation and advances the quality of education by delivering state-of-the-art, digital learning platforms and technology to students and school districts across the globe. K12’s curriculum serves over 2,000 schools and school districts and has delivered millions of courses over the past decade. K12 provides online and blended education solutions to charter schools, public school districts, private schools, and directly to families. The K12 program is offered through more than 70 partner public schools, and through school districts and public and private schools serving students in all 50 states and more than 100 countries. Please see **Attachment 8** for a list of K12 partner schools in SY 2017-2018.

K12 enables their partner schools to offer their students an array of solutions, including full-time virtual programs, semester courses, and supplemental solutions. In addition to curriculum, systems, and programs, K12 provides teacher training, teaching services, and other academic and technology support services. Please see the academic results of K12 partner schools in the annual K12 Academic Report (see <https://www.k12.com/k12-education/honors-awards.html>). Documentation of the effective fiscal management of K12 Inc. can be found in the company’s 10-K (see <http://investors.k12.com/phoenix.zhtml?c=214389&p=irol-reportsannual>).

Executive Summary

The Oklahoma School Performance Review (OSPR) Program was authorized by the Oklahoma Legislature during the 2001 session, amended during the 2005 session, and amended again during the 2012 session. The responsibility to conduct school performance reviews was originally assigned to the Office of Accountability, which is now the Office of Educational Quality and Accountability (OEQA). The purpose of a performance review is to develop findings, commendations, and recommendations for school districts regarding (1) containing costs; (2) improving management strategies; and (3) promoting better education for Oklahoma children.

The Office of Educational Quality and Accountability began the performance review of Oklahoma Virtual Charter Academy (OVCA) in November, 2016. OEQA's in-house consultants conducted the review upon the request of the Oklahoma Statewide Virtual Charter School Board (SVCSB). The consulting team conducted individual interviews and focus groups with school personnel and board members. The team also reviewed operations by touring facilities. The administrators, teachers, support staff, parents, and high school students completed confidential surveys. The consulting team tabulated the surveys and used the results in this review. Survey results are contained in **Appendices A** through **C**.

OEQA selected three Oklahoma school districts as peers based upon size, demographics, and other similar variables for comparative purposes. Those districts are: Catoosa, Elk City, and Miami Public Schools. These peer districts are found only in chapter two. For chapter three OEQA selected three virtual charters as peers for fiscal comparative purposes. For further comparison, the state average was also used in both chapters.

During this review, the consulting team developed 38 recommendations designed to improve operations and support increased academic performance at OVCA. In some cases, these recommendations should result in a net savings to the district, in some cases a net cost, and in other cases they should have no fiscal impact, but should improve district effectiveness. A detailed list of costs and savings by recommendation appears in **Exhibit 3**.

ACKNOWLEDGMENTS

The Office of Educational Quality and Accountability wishes to express their appreciation to the Oklahoma Statewide Virtual Charter School Board and its Executive Director, Dr. Rebecca Wilkinson, for the opportunity to provide a performance review of Oklahoma Virtual Charter Academy. OEQA also, wishes to recognize Sheryl Tatum, Head of School for OVCA, and her staff for their hospitality during our onsite visit and their gracious cooperation during the entire process of this review.

OKLAHOMA VIRTUAL CHARTER ACADEMY

Oklahoma Skynet Inc. is the nonprofit entity granted a charter to operate OVCA. This virtual charter public school serves kindergarten to twelfth grade students and offers an individualized, online curriculum. K12 Virtual Schools, LLC (K12) manages both OVCA and Insight School of Oklahoma (ISOK); however, each school has a separate and distinct contract with K12.



Oklahoma Virtual Charter Academy was founded in 2011 and was originally chartered by Choctaw-Nicoma Park Public Schools. In 2014 the Oklahoma Statewide Virtual Charter School Board was created and they then assumed authorization/sponsorship of the school. OVCA is Oklahoma's second largest Virtual Charter School with an enrollment that has stabilized at about 2,400 students in grades KG through 12.

OVCA's headquarters are in Midwest City, OK, but their students are located in cities and towns across the state of Oklahoma. Midwest City is located east of Oklahoma City and north of Tinker Air Force Base. OVCA operates from one leased facility in the Regional Square office park. The attendance boundaries of OVCA are the borders of the State of Oklahoma. In other words, any student resident of Oklahoma is eligible to attend OVCA. One caveat, however, is that students enrolled in statewide virtual charter schools cannot participate in any activities administered by the Oklahoma Secondary Schools Activities Association (OSSAA).

Current Demographics

Exhibit 1 shows the fall enrollment and demographic breakdown by school year for OVCA. OVCA has experienced varied enrollment, and ethnicities have differed from year to year. Black, Hispanic, and Native American percentages have remained relatively stable. Compared to the State averages, OVCA typically has a higher percentage of Caucasian students.

**Exhibit 1
OK Virtual Charter Academy
Fall Enrollment and Demographics
2011-12 to 2015-16**

School Year	Fall Enrollment	Ethnic Group					
		Caucasian	Black	Asian	Hispanic	Native American	2 or more Races
2011-12	781	79%	5%	1%	4%	12%	0%
2012-13	2,636	73%	6%	1%	4%	10%	7%
2013-14	2,818	69%	6%	1%	5%	9%	11%
2014-15	2,518	50%	6%	4%	5%	9%	26%
2015-16	2,402	64%	7%	2%	5%	12%	10%
2015-16 State Avg.	692,670	50%	9%	2%	16%	14%	8%

Source: Office of Educational Quality and Accountability, Profiles Database

Exhibit 2 provides a look at OK Virtual Charter Academy enrollment and economic demographics for years 2013-14 to 2016-17. As fall enrollment decreased so did the number of students who were identified as economically disadvantaged (ED), however, the percentage of ED students has increased.

Exhibit 2



**OK Virtual Charter Academy
Enrollment and Economic Demographics
2013-14 to 2016-17**

Demographic Information	2013-14	2014-15	2015-16	2016-17	Percentage or Percentage Point (pp) Change
Fall Enrollment	2,818	2,518	2,402	2,430	(13.8%)▼
Economically Disadvantaged	1,821	1,578	1,540	1,651	(9.3%)▼
Percentage of Economically Disadvantaged	65%	63%	64%	68%	+3pp▲

Source: OEQA – OVCA Data

COMMENDATIONS

The Office of Educational Quality and Accountability identified “exemplary” or “best practices” in Oklahoma Virtual Charter Academy that led to 42 separate commendations. OEQA recommends that other school districts and/or virtual charters throughout Oklahoma examine these exemplary programs and services to see if they could be adapted to meet their local needs. The commendations are listed below and explained in detail in each chapter.

Chapter 1: MANAGEMENT, PERSONNEL, AND COMMUNICATIONS

The OVCA strategic plan drives school meetings, programs, and projects.

OVCA strategically and proactively supports students and families.

OVCA strives to have Oklahoma-certified and highly qualified teaching staff to serve its students.

OVCA is commended for having a culture of strategic planning that is accompanied with a continuous review cycle and includes an academic plan rubric.

OVCA is to be applauded for their diligence in acquiring competent teaching staff that is both appropriately certified and meeting the standard of highly qualified despite the fact charter schools are not required to meet such high standards.

Although OVCA is not required to meet the teacher/leader evaluation mandate, the school adheres to a rigorous evaluation system that incorporates the K12 tool with the state’s adopted Marzano evaluation tool.

OVCA is proactive for ensuring that support personnel are evaluated, given effective feedback, and provided training to assist in any area of improvement through the use of the UltiPro human capital management system.

OVCA provides excellent training opportunities for their staff in order to grow professionally and to better perform their job functions.

OVCA administration's communication with staff is effective and shows the importance placed on this effort by the school.

Chapter 2: INSTRUCTIONAL DELIVERY SYSTEM

OVCA staff understands the value of a professional learning community for continuous school improvement and seeks to implement this evidenced-based practice among leadership and teaching staff.

OVCA leadership is commended for making strategic efforts toward ensuring that the evidenced-based practice of PLC collaborative time is well-developed and has a positive impact on both teaching practice and student achievement.

OVCA is commended for providing students with quality curriculum as well as individualized curriculum choices meeting the needs of its students for continuous success.

OVCA is commended for providing and implementing vertical curriculum alignment documents that ensure student preparation for the next grade level.

OVCA successfully transitioned into the new OAS by updating all scope and sequence documents and grade level/content specific pacing calendars reflecting standards taught quarterly; while ensuring all staff members were thoroughly acquainted with these documents.

OVCA is commended for providing effective instructional leaders to guide the district's ongoing commitment toward student success and school improvement.

OVCA is commended for implementing a succession approach that contributes to each principal's development in the area of instructional leadership.

OVCA staff is commended for employing promising instructional delivery strategies in an online learning environment.

OVCA teaching staff is commended for their efforts to increase student engagement and interaction through the use of synchronous e-learning format of instructional delivery.

OVCA is commended for an instructional delivery program that a majority of student survey participants perceive as contributing to their development on seven outcomes.

OVCA implements a consistent process for program evaluation to determine strengths and weaknesses and that all programs and processes are aligned with school improvement goals.

OVCA is meeting individual student interests by emphasizing and integrating the use of technology tools into the instructional delivery process.

OVCA implements procedures and communicates expectations to ensure all teaching staff understands the important role assessments must have in the teaching and learning cycle and includes the application of both formative and summative assessments.

OVCA teachers and leaders possess the capacity for collecting and analyzing student data to design instruction and remediation and to ensure that there is consistent implementation using a system-wide process.

When students stay with OVCA for three years or more, they are more likely to be successful in ELA/Reading than their peers who have been enrolled for less than three years.

OVCA special education staff is commended for providing special education students with a program that has instilled a growing confidence from parents and colleagues within the district.

OVCA is commended for implementing an effective and efficient Title I program that contributes to the school's strategic planning process

OVCA seeks to include positions and programs that will support students and their families in acclimating to the virtual school environment while making strong efforts in helping students reach their individual goals.

Chapter 3: BUSINESS OPERATIONS

OVCA is protected from financial risks and deficits via its services agreement with K12.

OVCA contracts with a local treasurer who works well with the governing board and school leadership to track revenue, expenditures, and cash flow.

OVCA limits enrollment each school year to control growth and expenditures while focusing on student achievement.

OVCA has written purchasing procedures, which are followed by pertinent staff.

OVCA maintains accurate and detailed inventory lists of laptop computers, phones, and related hardware.

Chapter 4: FACILITIES USE AND MANAGEMENT

OVCA's governing board and the Head of School engage in strategic master planning.

The landlord for OVCA's leased property does employ some components of an energy management program (EMP) such as set-back thermostats and low volume flush toilets.

All of the emergency egress lights in the administration building for OVCA properly switched to battery back-up and illuminated when they were tested.

OVCA is commended for purchasing security services from an outside vendor.

Chapter 5: TECHNOLOGY



OVCA is commended for providing a robust technical support environment.

OVCA is commended for ensuring its teachers are technologically competent and comfortable teaching in a virtual environment.

The OVCA leverages technology to facilitate layers of intentional and regular communication among stakeholders to a degree not typically found in a traditional brick and mortar school.

OVCA maximizes technology tools to provide data analytics to teachers and principals.

OVCA encourages teachers and students to access the breadth of learning resources available on the internet, as needed, to maintain student interest and customize student learning.

The OVCA is commended for its commitment to providing all the technology tools teachers need for effective teaching and learning to take place.

RECOMMENDATIONS AND PROJECTED COSTS AND SAVINGS

A list of recommendations with their associated costs or savings is provided in **Exhibit 3**. In each chapter, implementation strategies and the estimates of fiscal impact follow each recommendation in this report. The implementation section associated with each recommendation highlights the actions necessary to achieve the proposed results. Many of the recommendations have no costs or savings associated with them, but are designed to formalize, improve, and streamline operations. In some cases, the consulting team has made recommendations that will likely generate savings for the district, but in an effort to be conservative, no specific savings were estimated.

It must be understood that not all of the recommendations can be started at one time. The consulting team did not want to establish priorities by indicating which recommendations should be implemented immediately and which ones should be implemented later. It will be up to the district to decide which recommendations to implement and the timelines for beginning their implementation.

The Office of Educational Quality and Accountability recommends that the SVCSB ask OVCA's Head of School and governing board to review the recommendations, develop an implementation plan, and monitor its progress.

Exhibit 3
Summary of Costs and Savings by Recommendation

Chapter 1	Recommendation	Estimated (Costs) or Savings				Total Five-Year (Costs) or Savings
		2017-18	2018-19	2019-20	2020-21	
1	Management, Personnel, and Communications Increase stakeholder engagement in governing board meetings.					\$0
2	Develop and distribute a document that defines the roles, responsibilities, and expectations of OVCA governing board members.					\$0
3	Form a working group to develop revisions for the attendance policy, excused absence policy and truancy policy for presentation to and adoption by the OVCA governing board.					\$0
4	Articulate the use of the Education Service Provider Evaluation Instrument.					\$0
5	OVCA should refine the current evaluative and planning process by implementing fields within the planning chart indicating what evidence and evaluative tools will be used to measure effectiveness of the plans outcomes.					\$0
6	OVCA should evaluate and then replace current program and policy implementation procedures that are serving as barriers for stakeholder success and customer satisfaction.					\$0
7	OVCA should ensure that the principal (and other instructional leaders as specified) evaluation instrument, procedures, policies, are closely aligned with evidenced-based components and practices that match the rigor of OVCA's teacher evaluation system.					\$0
8	OVCA should streamline the two handbooks, include information that is explicitly for administrative staff and support personnel, and rename the title to OVCA Employee Handbook.					\$0
9	OVCA should develop guidelines and training for staff that would increase their capacity in forming collaborative relationships with parents and students.					\$0
10	Form a working group to provide a major overhaul for the student/parent handbook(s) and consider using one universal handbook for all three schools with ES, MS and HS differentiation wherever needed.					\$0
Subtotal - 1						\$0



Chapter 2	Instructional Delivery System								
11	OVCA leaders should formalize the PLC collaboration process by incorporating common procedures that will maintain focus and create stability for each meeting. Well-developed PLC collaborative time drives improvement of student achievement and contributes to the professional growth of teachers.								\$0
12	Enrich the current mentoring/coaching program ensuring all staff (mentor/mentees) is aware of its existence and that it is consistently implemented throughout the initial year or as needed into the second year of employment.								\$0
13	OVCA leadership should provide a crossover of CCSS to OAS to support elementary teachers in bridging the OLS gap to ensure alignment of curriculum, instruction and assessments.								\$0
14	OVCA should consider the inclusion of interactive elements found in a blended learning format that would increase student engagement and student/teacher interactions to improve academic achievement outcomes.								\$0
15	OVCA faculty should employ the use of technology tools for facilitating collaborative project opportunities, which will enhance student engagement and development of college and career readiness skills.								\$0
16	OVCA should replace its current computer loaner policy with one that reflects an equitable approach by providing computers for all students, thus ensuring access to the instructional delivery program.	(\$233,100)	\$0	\$0	\$0	\$0	\$0	\$0	(\$233,100)
17	Prioritize this issue by developing a plan that will include an ongoing examination of potential variables contributing to the decline in academic performance of students identified at persistency status levels 3 and 4 on state mandated assessments; while simultaneously creating strategies that will remove the negative impact of these variables.								\$0
18	OVCA leadership should first stabilize the special education staffing, incorporate succession planning, and simultaneously consider implementing a virtual co-teaching model to increase the academic achievement of special education students.								\$0
19	OVCA administration should consider implementing a revised counseling department structure with specific accountabilities that would lead to more effective and efficient customer focused counseling.								\$0
Subtotal – 2		(\$233,100)	\$0	\$0	\$0	\$0	\$0	\$0	(\$233,100)



Chapter 3	Business Operations								
20	Include local stakeholders in the budgetary process.								\$0
21	Develop a target amount for carryover each year.								\$0
22	OVCA should work with K12 to develop a salary schedule for its Oklahoma-based teaching staff.								\$0
23	Identify more GT students to receive increased funding while providing services to these GT students.	\$200,831	\$200,831	\$200,831	\$200,831	\$200,831	\$200,831	\$200,831	\$1,004,155
24	Employ a grant writer to seek, apply for, and monitor grants from local, state, and national entities.								\$0
25	Review the investment policy and add language, if necessary, to increase investments and their returns.								\$0
26	Work with the school's auditors to correct any references to previous sponsors.								\$0
	Subtotal - 3	\$200,831	\$200,831	\$200,831	\$200,831	\$200,831	\$200,831	\$200,831	\$1,004,155
Chapter 4	Facilities Use and Management								
27	OVCA's lease agreement with Douglas Development Corporation should be revised for clarification and fair treatment to both the tenant and the landlord.								\$0
28	Outline landlord liaison duties in order to improve and maintain staff and building safety.								\$0
29	Request the landlord to rework the plumbing in the "wet-wall" for the bathroom in suite 1156 so that it is supplied by the same water service as the restroom in suite 1160 and then turn off the water meter serving suite 1156.	(\$71.24)	\$428.76	\$428.76	\$428.76	\$428.76	\$428.76	\$428.76	\$1,643.80
30	OVCA should task an employee to oversee the basic energy management of the main headquarters and include guidelines within their existing job description.								\$0
31	Request that the landlord assign a capable maintenance person to make monthly inspections of the hand-held fire extinguishers.								\$0
32	Contact the landlord and have slide bolts removed from both of the east exit doors.								\$0
33	Contact the landlord and request that the door knobs on the two exit doors to the east be replaced with proper exit devices.								
34	Contact the landlord and request that a directional sign be installed at the east end of the east-west hallway to indicate the desired path to the southeast exit door.								\$0
35	Form a working group comprised of administrators, teachers and possibly consultants with the purpose of reviewing and then rewriting the district's emergency procedures.								\$0
	Subtotal - 4	(\$71.24)	\$428.76	\$428.76	\$428.76	\$428.76	\$428.76	\$428.76	\$1,643.80



Chapter 5	Support Services – Technology								
36	Review communications and employed training strategies to ensure that students and learning coaches do not encounter substantial difficulties in navigating the learning platform.								\$0
37	Review the communication tools used by teachers and counselors and then streamline communications from OVCA to learners and their coaches.								\$0
38	Request that the SDE allow for other options that provide similar or better test security.								\$0
	Subtotal – 5								\$0
	Total savings	\$200,831	\$201,259.76	\$201,259.76	\$201,259.76	\$201,259.76	\$201,259.76	\$201,259.76	\$1,005,870.04
	Total costs	(\$233,171.24)	\$0	\$0	\$0	\$0	\$0	\$0	(\$233,171.24)
	Total net savings and costs	(\$32,340.24)	\$201,259.76	\$201,259.76	\$201,259.76	\$201,259.76	\$201,259.76	\$201,259.76	\$772,698.80



School Performance Review reports are typically lengthy and densely packed with information. They can at first be overwhelming to district stakeholders. For that reason, the Office of Educational Quality and Accountability has provided the Follow-up Planning Guide. This Planning Guide contains the recommendations from the OSPR report. We suggest you use this guide in selecting the recommendations your Charter will want to implement over the next five years. This is only for planning purposes and will not need to be submitted to the Office. You will receive a survey over the next two years to complete and return to our office to inform us of your progress.

Oklahoma **School Performance Review**



Insight[®]

SCHOOL OF OKLAHOMA

POWERED BY K¹²

Office of Educational Quality & Accountability
September 2017



OFFICE OF EDUCATIONAL
QUALITY & ACCOUNTABILITY

September, 2017

Fellow Oklahomans:

The Office of Educational Quality & Accountability is pleased to present the Insight School of Oklahoma Performance Review upon the request of the Oklahoma Statewide Virtual Charter School Board (SVCSB).

Insight School of Oklahoma (ISOK) has a number of impressive programs; however, similar to the brick and mortar schools, ISOK is also faced with challenges. The review contains recommendations to help ISOK meet those challenges and to improve the efficiency of their operations. This review also highlights a number of “Commendable Practices” in programs, operations, and services provided by the administration, teachers, and staff.

We are grateful for the cooperation of ISOK board, administration, staff, parents, and students for their input into this review. The administration and staff are also to be commended for their dedication toward improving educational opportunities for all students.

We are pleased to announce that this review is available in hardcopy through the Office of Educational Quality & Accountability and on the office’s web site at www.oeqa.ok.gov

Respectfully yours,

Dr. Daniel Craig
Executive Director

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Executive Summary

The Oklahoma School Performance Review (OSPR) Program was authorized by the Oklahoma Legislature during the 2001 session, amended during the 2005 session, and amended again during the 2012 session. The responsibility to conduct school performance reviews was originally assigned to the Office of Accountability, which is now the Office of Educational Quality and Accountability (OEQA). The purpose of a performance review is to develop findings, commendations, and recommendations for school districts regarding (1) containing costs; (2) improving management strategies; and (3) promoting better education for Oklahoma children.

The Office of Educational Quality and Accountability began the performance review of Insight School of Oklahoma (ISOK) in November, 2016. OEQA's in-house consultants conducted the review upon the request of the Oklahoma Statewide Virtual Charter School Board (SVCSB). The consulting team conducted individual interviews and focus groups with school personnel and board members. The team also reviewed operations by touring facilities. The administrators, teachers, support staff, parents, and high school students completed confidential surveys. The consulting team tabulated the surveys and used the results in this review. Survey results are contained in **Appendices A through C**.

OEQA selected two alternative schools as peers based upon size, demographics, and other similar variables for comparative purposes. Those schools are: Emerson of Oklahoma City Public Schools and Seeworth Academy, a charter school sponsored by Oklahoma City Public Schools. These peer districts are found only in chapter two. For chapter three OEQA selected three virtual charters as peers for fiscal comparative purposes. For further comparison, the state average was also used in both chapters.

During this review, the consulting team developed 36 recommendations designed to improve operations and support increased academic performance at ISOK. In some cases, these recommendations should result in a net savings to the district, in some cases a net cost, and in other cases they should have no fiscal impact, but should improve district effectiveness. A detailed list of costs and savings by recommendation appears in **Exhibit 3**.

ACKNOWLEDGMENTS

The Office of Educational Quality and Accountability wishes to express their appreciation to the Oklahoma Statewide Virtual Charter School Board and its Executive Director, Dr. Rebecca Wilkinson, for the opportunity to provide a performance review of Insight School of Oklahoma. OEQA also, wishes to recognize Sheryl Tatum, Head of School for ISOK, and her staff for their hospitality during our onsite visit and their gracious cooperation during the entire process of this review.

INSIGHT SCHOOL OF OKLAHOMA

ISOK is designated as an alternative education site by the Oklahoma State Department of Education (OSDE). As an alternative education site, ISOK is treated differently under the Oklahoma Charter School Act. ISOK will not be identified for possible closure based upon the

school’s rankings in the State’s accountability system. This virtual charter public school serves seventh to twelfth grade students and offers an individualized, online curriculum. K12 Virtual Schools, LLC (K12) manages both OVCA and Insight School of Oklahoma (ISOK); however, each school has a separate and distinct contract with K12.

ISOK was founded in 2014 and is authorized by the Oklahoma State Virtual Charter School Board. ISOK is Oklahoma’s smallest Virtual Charter School with an enrollment that has stabilized at about 300 students. Their mission has always been to serve at-risk youth, and in 2017 they were authorized to officially operate as an alternative school.

ISOK’s headquarters is in Midwest City, OK, but their students are located in cities and towns across the state of Oklahoma. Midwest City is located east of Oklahoma City and north of Tinker Air Force Base. ISOK operates from one leased facility in the Regional Square office park. The attendance boundaries of ISOK are the borders of the State of Oklahoma. In other words, any student resident of Oklahoma is eligible to attend ISOK. One caveat, however, is that students enrolled in statewide virtual charter schools cannot participate in any activities administered by the Oklahoma Secondary Schools Activities Association (OSSAA).

Current Demographics

Exhibit 1 shows the ISOK fall student enrollment and demographic data for school year 2016-17. The school is divided into two sites for reporting purposes. The data below show that the majority of ISOK students are identified as Caucasian. The next largest identified group is Native American.

**Exhibit 1
Insight School of Oklahoma
Fall Enrollment
2016-17**

Site	Grade Span	Fall Enrollment	Caucasian	Black	Asian	Hispanic	Native American	Unclassified*
Middle	7-8	66	61%	8%	5%	14%	8%	6%
High	9-12	268	71%	4%	<1%	6%	16%	4%
Total	7-12	334	69%	4%	1%	7%	14%	4%

Source: ISOK, Student Information System (due to rounding not all percentages will add up to 100%)

** Different Definition than that used by OEQA Profiles Database*

Exhibit 2 shows the fall enrollment and demographic breakdown by school year for ISOK. ISOK has experienced an increase in fall enrollment from 2014-15 to 2015-16. As shown above the fall enrollment numbers decreased slightly in 2016-17. Demographic data are fairly consistent from year to year, but with an increase in those students claiming two or more races. Compared to the State Average, ISOK has a higher percentage of students identified as Caucasian.

Exhibit 2
Insight School of Oklahoma
Fall Enrollment and Demographics
2014-15 & 2015-16

School Year	Fall Enrollment	Ethnic Group					
		Caucasian	Black	Asian	Hispanic	Native American	2 or more Races
2014-15	281	71%	7%	<1%	7%	14%	2%
2015-16	346	62%	5%	0%	8%	11%	13%
State	692,670	50%	9%	2%	16%	14%	8%

Source: OEQA, Profiles Database (due to rounding not all percentages will add up to 100%)

COMMENDATIONS

The Office of Educational Quality and Accountability identified “exemplary” or “best practices” of Insight School of Oklahoma that led to 41 separate commendations. OEQA recommends that other school districts and/or virtual charters throughout Oklahoma examine these exemplary programs and services to see if they could be adapted to meet their local needs. The commendations are listed below and explained in detail in each chapter.

Chapter 1: MANAGEMENT, PERSONNEL, AND COMMUNICATIONS

ISOK shares administrative services with OVCA, which results in a cost savings.

The ISOK organizational and reporting structures are well-understood by school staff.

ISOK strives to have an Oklahoma-certified teaching staff to serve its students.

ISOK is commended for having a culture of planning that is accompanied with a review cycle and includes an academic plan rubric.

ISOK is to be applauded for their diligence in acquiring a competent teaching staff that is both appropriately certified and meeting the standard of being “Highly Qualified” despite the fact charter schools are not required to meet such high standards.

Although ISOK is not required to meet the teacher/leader evaluation mandate, the school adheres to a rigorous evaluation system that incorporates the K12 tool with the state- approved Marzano evaluation tool.

ISOK has been proactive in ensuring that support personnel are evaluated, given effective feedback, and provided training to assist in any areas of improvement through the use of the UltiPro human capital management system.

ISOK provides excellent professional development opportunities for their staff in order to grow professionally and to better perform their job functions.

ISOK administration's communication with staff is effective and survey results show the importance placed on this effort.

Chapter 2: INSTRUCTIONAL DELIVERY SYSTEM

ISOK staff understands the value of a professional learning community for continuous school improvement and seeks to implement this evidenced-based practice among leadership and teaching staff.

ISOK leadership makes strategic efforts toward ensuring that the evidenced-based practice of PLC collaborative time is well-developed and has a potential for a positive impact on both teaching practice and student achievement.

ISOK is commended for providing students with individualized curriculum and scheduling to increase students' chances for on-time graduation.

ISOK provides and implements vertical curriculum alignment documents that ensure student preparation for the next grade level and/or college/career readiness.

ISOK successfully transitioned into the new OAS by updating all scope and sequence documents and grade level/content specific pacing calendars reflecting standards taught quarterly; while ensuring all staff members were thoroughly acquainted with these documents.

ISOK provides effective instructional leaders to guide the district's ongoing commitment toward student success and school improvement.

ISOK staff is commended for employing several promising instructional delivery strategies in an online learning environment.

ISOK teaching staff is commended for their efforts to increase student engagement and interaction through the use of synchronous e-learning format of instructional delivery.

ISOK is commended for an instructional delivery program that a majority of student survey participants perceive as contributing to their development on eight outcomes.

ISOK implements a consistent process for program evaluation to determine strengths and weaknesses and that all programs and processes are aligned with school improvement goals.

ISOK is meeting individual student interests by emphasizing and integrating the use of technology tools into the instructional delivery process.

ISOK implements procedures and communicates expectations to ensure all teaching staff understands the important role assessments must have in the teaching and learning cycle and includes the application of both formative and summative assessments.

ISOK has exemplary practices in the use of data and has built a strong data literate culture which is foundational in continuous school improvement.

ISOK special education staff is commended for providing special education students with a program that provides students the appropriate services for their learning needs.

ISOK is commended for keeping special education teacher-to-student ratios low contributing to positive gains in student performance on end of the year state mandated assessments.

ISOK is commended for implementing an effective and efficient Title I program that contributes to the school's strategic planning process.

ISOK seeks to include positions and programs that will support students and their families in acclimating to the virtual school environment while making strong efforts in helping students reach their individual goals.

At this time most all stakeholders are satisfied with the counseling services.

Chapter 3: BUSINESS OPERATIONS

ISOK is protected from financial risks and deficits via its services agreement with K12.

ISOK contracts with a local treasurer who works well with the governing board and school leadership to track revenue, expenditures, and cash flow.

ISOK limits enrollment each school year to control growth and expenditures while focusing on student achievement.

ISOK has written purchasing procedures, which are followed by pertinent staff.

ISOK maintains accurate and detailed inventory lists of laptop computers, phones, and related hardware.

Chapter 4: FACILITIES USE AND MANAGEMENT

ISOK's governing board and the Head of School engage in strategic master planning.

The landlord for ISOK/OVCA's leased property does employ some components of an energy management program (EMP) such as set-back thermostats and low volume flush toilets.

All of the emergency egress lights in the administration building for ISOK/OVCA properly switched to battery back-up and illuminated when they were tested.

ISOK/OVCA is commended for purchasing security services from an outside vendor.

Chapter 5: TECHNOLOGY

ISOK is commended for providing a robust technical support environment.

ISOK is commended for ensuring its teachers are technologically competent and comfortable teaching in a virtual environment.

The ISOK leverages technology to facilitate layers of intentional and regular communication among stakeholders to a degree not typically found in a traditional brick and mortar school.

ISOK maximizes technology tools to provide data analytics to teachers and principals.

ISOK encourages teachers and students to access the breadth of learning resources available on the internet, as needed, to maintain student interest and customize student learning.

The ISOK is commended for its commitment to providing all the technology tools teachers need for effective teaching and learning to take place.

RECOMMENDATIONS AND PROJECTED COSTS AND SAVINGS

A list of recommendations with their associated costs or savings is provided in **Exhibit 3**. In each chapter, implementation strategies and the estimates of fiscal impact follow each recommendation in this report. The implementation section associated with each recommendation highlights the actions necessary to achieve the proposed results. Many of the recommendations have no costs or savings associated with them, but are designed to formalize, improve, and streamline operations. In some cases, the consulting team has made recommendations that will likely generate savings for the district, but in an effort to be conservative, no specific savings were estimated.

It must be understood that not all of the recommendations can be started at one time. The consulting team did not want to establish priorities by indicating which recommendations should be implemented immediately and which ones should be implemented later. It will be up to the district to decide which recommendations to implement and the timelines for beginning their implementation.

The Office of Educational Quality and Accountability recommends that the SVCSB ask ISOK's Head of School and governing board to review the recommendations, develop an implementation plan, and monitor its progress.

Exhibit 3
Summary of Costs and Savings by Recommendation

Chapter 1	Recommendation	Estimated (Costs) or Savings				Total Five-Year (Costs) or Savings
		2017-18	2018-19	2019-20	2020-21	
1	Management, Personnel, and Communications Develop a process to recruit board members with diverse backgrounds from stakeholder groups.					\$0
2	Increase stakeholder engagement in governing board meetings.					\$0
3	Articulate the use of the Education Service Provider Evaluation Instrument.					\$0
4	ISOK should include in their strategic plan, steps that provide for an evaluation of the effectiveness of implementation measures taken to meet the plan's stated goals.					\$0
5	ISOK should ensure that the principal's (and other instructional leaders') policies, procedures, and evaluation instruments are more closely aligned with evidenced-based findings and practices and better match the rigor of ISOK's teacher evaluation system.					\$0
6	ISOK should streamline the two handbooks, include information that is explicitly for administrative staff and support personnel, and rename the title to ISOK Employee Handbook.					\$0
7	ISOK administration should conduct further inquiry of all professional staff to determine steps to improve training and ensure that all professional staff is adequately prepared to perform their assigned job tasks.					\$0
8	ISOK should pursue decreasing class sizes to ensure communication barriers are reduced.					\$0
9	Form a working group to select a style guide and then review, reformat, rewrite and finally proof read and edit ISOK's current Parent - Student Handbook.					\$0
Subtotal - 1						\$0

Chapter 2	Instructional Delivery System						
10	ISOK leaders should formalize the PLC collaboration process by incorporating common procedures that will maintain focus and create stability for each meeting. Well-developed PLC collaborative time drives improvement of student achievement and contributes to the professional growth of teachers.						\$0
11	ISOK administrators should enrich current content-based PLCs by implementing videoconferencing that includes teachers from similar schools such as other K12 Insight Schools.						\$0
12	Require archival documents for each subject to increase new teacher capacity and timeliness for integrating curricular electives/lessons into the current D2L platform while simultaneously broadening the curricular scope to bolster student interest and success.						\$0
13	ISOK should adopt an innovative approach that provides a broader curriculum selection that meets students' interests while also accompanying a student's credit recovery path.						\$0
14	ISOK should consider the inclusion of interactive elements found in a blended learning format that would increase student engagement and student/teacher interactions to improve academic achievement outcomes.						\$0
15	ISOK faculty should employ the use of technology tools for facilitating collaborative project opportunities, which will enhance student engagement and development of college and career readiness skills.						\$0
16	ISOK should replace its current computer loaner policy with one that reflects an equitable approach by providing computers for all students, thus ensuring access to the instructional delivery program.	(\$38,400.00)	\$0	\$0	\$0	\$0	(\$38,400.00)
17	ISOK administration must ensure that all staff members understand the significance of a data literate culture and that they are trained in the evaluation, interpretation, and use of data relevant to their position.						\$0
18	ISOK leaders should evaluate and possibly revise protocols for identifying potential G&T students thus ensuring that equity and opportunity is accessible for all who qualify.						\$0
	Subtotal – 2	(\$38,400.00)	\$0	\$0	\$0	\$0	(\$38,400.00)

Chapter 3	Business Operations								
19	Include local stakeholders in the budgetary process.								\$0
20	Develop a target amount for carryover each year.								\$0
21	ISOK should work with K12 to develop a salary schedule for its Oklahoma-based teaching staff.								\$0
22	Identify more GT students to receive increased funding while providing services to these GT students.	\$25,891	\$25,891	\$25,891	\$25,891	\$25,891	\$25,891	\$25,891	\$103,564.00
23	Employ a grant writer to seek, apply for, and monitor grants from local, state, and national entities.								\$0
24	Review the investment policy and add language, if necessary, to increase investments and their returns.								\$0
25	Work with the school's auditors to correct any references to previous sponsors.								\$0
	Subtotal - 3	\$25,891.00	\$25,891.00	\$25,891.00	\$25,891.00	\$25,891.00	\$25,891.00	\$25,891.00	\$103,564.00
Chapter 4	Facilities Use and Management								
26	Outline landlord liaison duties in order to improve and maintain staff and building safety.								\$0
27	Request the landlord to rework the plumbing in the "wet-wall" for the bathroom in suite 1156 so that it is supplied by the same water service as the restroom in suite 1160 and then turn off the water meter serving suite 1156.	(\$71.24)	\$428.76	\$428.76	\$428.76	\$428.76	\$428.76	\$428.76	\$1,643.80
28	The combined management staff of ISOK/OVCA should task an employee to oversee the basic energy management of the main headquarters and include guidelines within their existing job description.								\$0
29	Request that the landlord assign a capable maintenance person to make monthly inspections of the hand-held fire extinguishers.								\$0
30	Contact the landlord and have slide bolts removed from both of the east exit doors.								\$0
31	Contact the landlord and request that the door knobs on the two exit doors to the east be replaced with proper exit devices.								\$0
32	Contact the landlord and request that a directional sign be installed at the east end of the east-west hallway to indicate the desired path to the southeast exit door.								\$0
33	Form a working group comprised of administrators, teachers and possibly consultants with the purpose of reviewing and then rewriting the district's emergency procedures.								\$0
	Subtotal - 4	(\$71.24)	\$428.76	\$428.76	\$428.76	\$428.76	\$428.76	\$428.76	\$1,643.80

Chapter 5	Support Services – Technology							
34	Review communications and employed training strategies to ensure that students and learning coaches do not encounter substantial difficulties in navigating the learning platform.							\$0
35	Review the communication tools used by teachers and counselors and then streamline communications from ISOK to learners and their coaches.							\$0
36	Request that the SDE allow for other options that provide similar or better test security.							\$0
	Subtotal – 5							\$0
	Total savings	\$25,891.00	\$26,319.76	\$26,319.76	\$26,319.76	\$26,319.76	\$26,319.76	\$131,170.04
	Total costs	(\$38,471.24)	\$0	\$0	\$0	\$0	\$0	(\$38,471.24)
	Total net savings and costs	(\$12,580.24)	\$26,319.76	\$26,319.76	\$26,319.76	\$26,319.76	\$26,319.76	\$92,698.80

School Performance Review reports are typically lengthy and densely packed with information. They can at first be overwhelming to district stakeholders. For that reason, the Office of Educational Quality and Accountability has provided the Follow-up Planning Guide. This Planning Guide contains the recommendations from the OSPR report. We suggest you use this guide in selecting the recommendations your Charter will want to implement over the next five years. This is only for planning purposes and will not need to be submitted to the Office. You will receive a survey over the next two years to complete and return to our office to inform us of your progress.

Chapter 1:
Management, Personnel, and
Communications

Chapter 1

Management, Personnel, and Communications

This chapter addresses the management, personnel, and communications of Insight School of Oklahoma (ISOK) in the following sections:

- A. Organization and Management
- B. Planning and Evaluation
- C. Personnel Management & Professional Development
- D. Communication and Parental Involvement

Background

ISOK serves seventh to twelfth grade students and offers an individualized, online curriculum. The ISOK website states, “Students come first at our tuition-free, online public schools.” ISOK states its mission in the *Parent and Student Handbook 2016-2017*:

Insight School of Oklahoma (“ISOK”) will provide students who are struggling with their education an alternative academic program to help them stay in school, achieve a high school diploma, and be prepared for success in college, work and life.

Although ISOK will serve students at all ability levels, it will focus on providing at-risk students a fresh educational start in an innovative virtual learning environment based on collaborative partnerships, individualized instruction, high-quality curriculum delivered on and offline, community support, student-focused initiatives, and career pathways.

This full service model will ensure that every student reaches his or her true potential in accordance with Oklahoma academic standards. ISOK believes that a virtual education program designed around a school effectiveness framework, combined with a strong commitment from parents or other responsible adults will boost student achievement, serve the unique needs of

Oklahoma’s students and families who seek an alternative education program, and offer a new model for effective collaborative public education in the 21st century. The school’s success and impact is premised on these values.

ISOK is designated as an alternative education site by the Oklahoma State Department of Education (OSDE). As an alternative education site, ISOK is treated differently under the Oklahoma Charter School Act. ISOK will not be identified for possible closure based upon the school’s rankings in the State’s accountability system.

Title 70 O.S. § 3-137 calls for the Oklahoma State Board of Education (OSBE) in 2016-17 to identify charter schools ranked in the bottom five percent of all public schools in the State’s accountability system. Any charter school in the bottom five percent may be closed by the

school’s sponsor. Failure to close such a charter school may lead to OSBE intervention. However, this section of the law specifically states, “The requirement of this subsection shall not apply to a charter school that has been designated by the State Department of Education as implementing an alternative education program throughout the charter school.”

Exhibit 1-1 below shows the responses from 35 ISOK staff and 72 ISOK parents regarding the school’s mission statement. Most ISOK staff and parents believe the school’s mission is focused on student success. A majority of the staff also believe the mission is reviewed and revised with stakeholder input.

**Exhibit 1-1
Survey Results Regarding the Mission**

Group	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Staff	Our virtual charter’s mission statement is clearly focused on student success.	47%	47%	3%	3%	0%
	Our virtual charter’s mission statement is formally reviewed and revised with involvement from stakeholders.	17%	63%	13%	7%	0%
Parents	Our Virtual Charter school’s mission statement is clearly focused on student success.	59%	39%	1%	1%	0%

Source: OEQA - ISOK Survey Results (2016)

Insight School of Oklahoma, Inc. was granted a charter and is sponsored by the Statewide Virtual Charter School Board (SVCSB) to operate ISOK. Composed of five appointed members, the SVCSB is the sole authority to authorize and sponsor full-time statewide virtual charter schools in Oklahoma. Per Title 70 O.S. § 3-145.3, the SVCSB, shall “provide oversight of the operations of statewide virtual charter schools...” The SVCSB may retain up to five percent of a virtual charter school’s state aid allocation for administrative expenses.

K12 Virtual Schools, LLC (K12) manages both ISOK and Oklahoma Virtual Charter Academy (OVCA); however, each school has a separate and distinct contract with K12. The services agreement between the ISOK governing board and K12, dated July 2016, states, “...K12 and Affiliates shall provide to the School solely for the Program ‘Administrative Services’ including financial and school administration services, teacher recruiting, training and management, and ‘Technology Services’ to include a student information system, hosting of an online platform, a student account management system and related technical support and other educational services...”

Enrollment, Demographics, and Staffing

The attendance boundaries of ISOK are the borders of the State of Oklahoma. In other words, any student resident of Oklahoma is eligible to attend ISOK. Title 70 O.S. § 3-135 states, “The [charter school] contract shall incorporate the provisions of the charter of the charter school and contain...the following provisions...Procedures that require students enrolled in the charter

school to be selected by lottery to ensure fairness if more students apply than a school has the capacity to accommodate.”

Title 70 O.S. § 3-140 states, “A sponsor of a charter school shall not restrict the number of students a charter school may enroll.” ISOK has limited enrollment by imposing an enrollment deadline in the fall of each school year. Other virtual charter schools enroll students throughout the school year. For example, Epic Charter School enrolls students throughout the school year, and Oklahoma Connections Academy enrolls students in the fall and spring semesters.

ISOK is free to all Oklahoma students. Title 70 O.S. § 3-135 states, “The [charter school] contract shall...contain... Policies that require that the charter school be as equally free and open to all students as traditional public schools.” Title 70 O.S. § 3-136 further states, “A charter school may not charge tuition or fees.” One caveat, however, is that students enrolled in statewide virtual charter schools cannot participate in any activities administered by the Oklahoma Secondary Schools Activities Association (OSSAA).

Exhibit 1-2 shows the ISOK fall student enrollment and demographic data for school year 2016-17. The school is divided into two sites for reporting purposes. The data below show that the majority of ISOK students are identified as Caucasian. The next largest identified group is Native American.

**Exhibit 1-2
Insight School of Oklahoma
Fall Enrollment
2016-17**

Site	Grade Span	Fall Enrollment	Caucasian	Black	Asian	Hispanic	Native American	Unclassified*
Middle	7-8	66	61%	8%	5%	14%	8%	6%
High	9-12	268	71%	4%	<1%	6%	16%	4%
Total	7-12	334	69%	4%	1%	7%	14%	4%

Source: ISOK, Student Information System (due to rounding not all percentages will add up to 100%)

** Different Definition than that used by OEQA Profiles Database*

Exhibit 1-3 shows the fall enrollment and demographic breakdown by school year for ISOK. ISOK has experienced an increase in fall enrollment from 2014-15 to 2015-16. As shown above the fall enrollment numbers decreased slightly in 2016-17. Demographic data are fairly consistent from year to year, but with an increase in those students claiming two or more races. Compared to the State Average, ISOK has a higher percentage of students identified as Caucasian.

**Exhibit 1-3
Insight School of Oklahoma
Fall Enrollment and Demographics
2014-15 & 2015-16**

School Year	Fall Enrollment	Ethnic Group					
		Caucasian	Black	Asian	Hispanic	Native American	2 or more Races
2014-15	281	71%	7%	<1%	7%	14%	2%
2015-16	346	62%	5%	0%	8%	11%	13%
State	692,670	50%	9%	2%	16%	14%	8%

Source: OEQA, Profiles Database (due to rounding not all percentages will add up to 100%)

Exhibit 1-4 shows the number of staff employed by K12 to serve ISOK from school year 2014-15 to 2016-17. The number of staff serving ISOK increased each year. K12 works with ISOK to determine staffing levels based upon enrollment. As enrollment changes, so will the number of staff.

**Exhibit 1-4
Insight School of Oklahoma
Number of Staff
2014-15 to 2016-17**

School Year	Staff
2014-2015	32
2015-2016	38
2016-2017	41

Source: ISOK Payroll Summaries; Communication with School Administration

A. ORGANIZATION AND MANAGEMENT

Title 70 O.S. § 3-135 states, “The [charter school] contract shall...contain...the following provisions...Management and administration of the charter school, including that a majority of the charter governing board members are residents of the State of Oklahoma and meet no less than quarterly in a public meeting within the boundaries of the school district in which the charter school is located or within the State of Oklahoma in the instance of multiple charter school locations by the same sponsor.” This title and section 3-136 further states, “A charter school shall comply with the Oklahoma Open Meeting Act...The governing body of a charter school shall be subject to the same conflict of interest requirements as a member of a local school board.” Since the boundaries of the ISOK are the borders of the State of Oklahoma, its governing board meetings must be held in Oklahoma.

The ISOK governing board consists of five members, who are all residents of Oklahoma. A review of documents showed that ISOK held six governing board meetings in calendar year 2016. These meetings were held in Oklahoma City, Oklahoma during the months of February,

April, May, July, September, and November. In accordance with the Oklahoma Open Meeting Act, the meeting schedule was filed with the Oklahoma County Clerk, and meeting minutes were kept. The most current board members and positions are shown below in **Exhibit 1-5**.

**Exhibit 1-5
Governing Board Members
July 2016**

Name	Position
DeAnna Gwatney	President
Veronica McGowan	Vice-President
James Smith	Secretary/Treasurer
Amy Henderson	Member
Lealon Taylor	Member

Source: ISOK Governing Board Document, Dated July 2016

ISOK has a larger organizational structure than many schools with fewer than 500 students. This is because many of the functions and positions are shared with OVCA, and also both share office space. A typical “brick and mortar” public school would not be able to share such services due to geographic limitations.

The school is led by a Head of School, who oversees an Operations Manager, Special Education Manager, Title I Coordinator, and Deputy Head of School. Various managers and coordinators answer to these administrators. The ISOK Principal answers to the Deputy Head of School. The Counselor, Graduation Coach, Teachers, and Family Resource Coordinator answer to the Principal. The Head of School, Operations Manager, Special Education Manager, Title I Coordinator, and Deputy Head of School are shared between ISOK and OVCA.

Exhibit 1-6 below shows an abridged organizational chart for ISOK at the time of the review.

**Exhibit 1-6
ISOK Organization Chart**

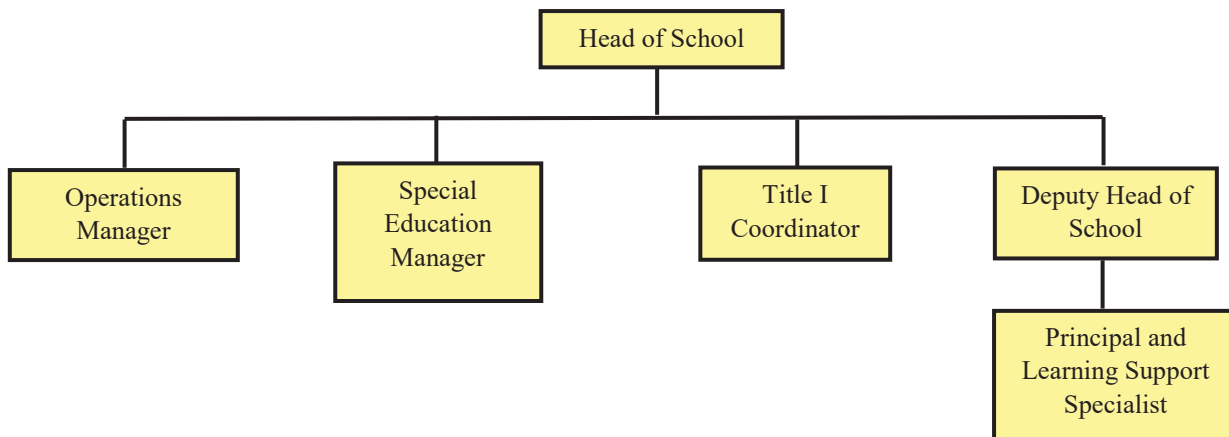


Exhibit 1-7 below shows the responses from 35 ISOK staff regarding the school’s administration and board. A majority of the respondents *agreed* with the statement, “Our virtual charter’s administrators and district board complies with all policies, procedures, laws, and regulations.”

**Exhibit 1-7
Survey Results Regarding the Administrators and Board**

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Our virtual charter’s administrators and district board complies with all policies, procedures, laws, and regulations.	47%	43%	7%	3%	0%

Source: OEQA - ISOK Survey Results (2016)

FINDING 1-1

ISOK shares many administrative functions with OVCA. Because of their close proximity and common management organization, staff can be shared with relative ease. The shared staff receive a portion of their salary from ISOK and a portion from OVCA. A review of salary information shows that ISOK pays less for these positions than if they had employed separate full-time individuals to fulfill these roles. This arrangement with OVCA allows ISOK to dedicate more funds to curriculum and instruction.

The current shared staff includes the Head of School, Related Services Coordinator, Data Coordinator, Special Education Registrar, Title I Coordinator, Compliance Coordinator, Deputy Head of School, Testing Coordinator, Special Education Manager, Operations Manager, School-based Enrollment Coordinator, Attendance Clerk, Learning Support Specialist, and Family Engagement Coordinator.

COMMENDATION

ISOK shares administrative services with OVCA, which results in a cost savings.

FINDING 1-2

ISOK staff understands the school’s organizational and reporting structures regarding job functions. Interviews determined that daily and weekly communication takes place between administration and teaching staff. These communications include email, conference calls, and in-person meetings.

Exhibit 1-8 below shows the responses from 35 ISOK staff regarding the school’s organizational and reporting structures. A majority of the respondents *agreed* with the statements, “I

understand the virtual charter school’s organizational structure” and “I know to whom I report for all my job functions.” Taken together, these results show that the organizational and reporting structures are well-understood by school staff.

**Exhibit 1-8
Staff Survey Results Regarding
Organizational and Reporting Structures**

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
I understand the virtual charter’s organizational structure.	13%	70%	10%	7%	0%
I know to whom I report for all my job functions.	55%	45%	0%	0%	0%

Source: OEQA - ISOK Survey Results (2016)

COMMENDATION

The ISOK organizational and reporting structures are well-understood by school staff.

FINDING 1-3

Though not required by statute, ISOK strives to have Oklahoma-certified teaching staff serve its students. ISOK believes this practice creates a more marketable, professional, and rigorous climate for its students. K12 actually employs the teaching staff, but the ISOK governing board provides expectations for K12 staff serving ISOK.

70 O.S. § 3-136 states, “Except as provided for in the Oklahoma Charter Schools Act and its charter, a charter school shall be exempt from all statutes and rules relating to schools, boards of education, and school districts”. This has been interpreted to mean that charter schools are not required to hire certified staff, as certified staff are not mentioned in the Oklahoma Charter School Act.

70 O.S. § 3-135 states, “A charter school shall not enter into an employment contract with any teacher or other personnel until the charter school has a contract with a sponsoring school district. The employment contract shall set forth the personnel policies of the charter school, including, but not limited to, policies related to certification, professional development, evaluation, suspension, dismissal and nonreemployment, sick leave, personal business leave, emergency leave, and family and medical leave”. The “policies related to certification” language shows that charter schools can employ certified staff, but certification requirements are to be based upon the school’s policies.

COMMENDATION

ISOK strives to have an Oklahoma-certified teaching staff to serve its students.

FINDING 1-4

The ISOK governing board does not have a process in place to seek potential future board members. The current board members have diverse backgrounds, knowledge, and skills, but the terms of these members will eventually expire. Interviews determined that more outreach is needed to recruit future board members from stakeholder groups.

RECOMMENDATION:

Develop a process to recruit board members with diverse backgrounds from stakeholder groups.

Interviewees discussed creating a nominating committee with parent representatives to recruit future board members. Seeking alumni and parents of alumni were also suggested. Developing the expectations of future board members and a process to seek out qualified candidates will help to maintain a viable governing board as ISOK continues to grow and mature.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 1-5

The ISOK governing board meets four to six times per year in Oklahoma City, Oklahoma. The calendar year 2016 meetings were held at the Oklahoma Public School Resource Center and Oklahoma City Community College. The meetings are not broadcast or recorded in an audio or video format. Holding the meetings in a central location without online streaming or recording, hampers the engagement of interested stakeholders, such as parents living in other parts of the state.

RECOMMENDATION:

Increase stakeholder engagement in governing board meetings.

ISOK meets all statutory requirements for governing board meetings. However, stakeholder engagement is minimal because these stakeholders (e.g. parents of ISOK students) live throughout the state and official meeting minutes are the only record of what took place. As a best practice, ISOK could broadcast its governing board meetings live and/or record the meetings and post them on the school's website. This should result in more stakeholder engagement in the governing process.

A number of districts throughout the state, such as Oklahoma City Public Schools, broadcast their board meetings live. Software can be purchased and used to sync the livestream to the Internet. Others record the meetings and post the audio and video on the district's webpage. There are a number of options the school can explore to implement this recommendation.

FISCAL IMPACT

Depending upon the chosen option, this recommendation may be implemented with existing resources.

FINDING 1-6

The ISOK governing board has adopted an evaluation instrument for the services provided by K12. The evaluation instrument, called the *Education Service Provider Evaluation Instrument*, was approved for use in July 2016. The instrument includes the following sections: (1) Board Goals; (2) Student Achievement and Development; (3) Relationships; (4) Operations; and (5) General Contract Compliance. These sections contain a number of statements that can be rated from “Not Applicable” to “Consistently”.

Though this instrument was discussed and adopted in the spring and summer of 2016, some governing board members were unfamiliar with the instrument and evaluation process during the onsite review in the fall of 2016. K12 leadership assigned to ISOK stated that the evaluation instrument will be used in the spring and summer of 2017. This should allow the governing board more time for articulation and discussion regarding the use of this instrument.

RECOMMENDATION:

Articulate the use of the Education Service Provider Evaluation Instrument.

K12 leadership assigned to ISOK should work with the governing board to articulate the evaluation process and its expectations. The process can then be fully implemented and used during the 2017-18 school year. Moving forward, the governing board and K12 can work together to identify areas of strength and weakness in the provision of services and make changes accordingly.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

C. PLANNING AND EVALUATION

To be most effective, an organization should have a strategic plan. The plan must lay out key milestones by which to measure progress, establish a priority ordering of the items to be accomplished, provide a timeline that lists when each item is to be accomplished, and assign authority and responsibility for accomplishing each item to a position in the organization. Finally, the organization must provide periodic reports on the status of the plan’s implementation and any changes that should be considered due to unforeseen circumstances or incorrect assumptions.

According to Cook (2000), strategic planning requires total concentration of the organization's resources on mutually pre-determined measurable outcomes.¹ Strategic planning allows an organization to have a clear focus on what it is doing and what it intends to do based upon established and monitored goals. A strategic plan will include long-term goals, which typically can be achieved in five to ten years. Short-term goals, which typically can be achieved in a year, support the attainment of the long-term goals.

All too often, organizations develop strategic plans that are broad statements with no ties to specific goals. For example, a school district may establish a goal of "improving student performance" without setting a target or identifying the strategies it plans to employ to achieve the desired outcome, or even fully defining "student performance." A better goal would be "improving student achievement by 10 percent from last year to this year as measured by state standardized testing." The district would then identify the means by which this goal would be achieved, such as through additional small group instruction with benchmark testing to monitor progress.

According to the Balanced Scorecard Institute:

There are many different frameworks and methodologies for strategic planning and management. While there are no absolute rules regarding the right framework, most follow a similar pattern and have common attributes. Many frameworks cycle through some variation of the following basic phases:

1. analysis or assessment, where an understanding of the current internal and external environments is developed;
2. strategy formulation, where high level strategy is developed and a basic organization-level strategic plan is documented;
3. strategy execution, where the high level plan is translated into more operational planning and action items; and
4. evaluation or sustainment/management phase, where ongoing refinement and evaluation of performance, culture, communications, data reporting, and other strategic management issues occurs.²

FINDING 1-8

ISOK is diligent in developing strategic plans for school improvement. ISOK uses the K12 model *Academic Plan* template for planning each school year. The Academic Plan focuses on the following components:

- Instruction
- Assessment
- Staffing

¹ Cook, Jr., W. (2000). *Strategies: The art and science of holistic strategy*. Westport, Connecticut: Quorum Books.

² <http://balancedscorecard.org/Resources/Strategic-Planning-Basics>

- Observation and Feedback
- Data-Driven Instruction
- Culture
- Professional Development

Each of these categories has a strategy to ensure implementation. Implementation is to be monitored and is to be reviewed each quarter. Administration meets with teacher teams and with leadership teams to gather ideas/strategies to implement goals of the plan. The process begins in January, is then submitted/reviewed in June and implementation begins in August.

COMMENDATION

ISOK is commended for having a culture of planning that is accompanied with a review cycle and includes an academic plan rubric.

FINDING 1-9

The ISOK’s Board’s Strategic Plan states, “As a school that supports grit and growth as core values, ISOK continuously evaluates the success of its programs and makes needed adjustments to ensure high-quality educational services” (p. 1)³. In reviewing ISOK’s Board’s strategic planning and evaluation documents, OEQA consultants were hard-pressed to find rubrics or documents specifically addressing how it would carry out evaluations of the implementation of its stated goals and objectives. Most language was ambiguous with an assertion that evaluation was and is to be completed. **Exhibit 1-10** provides two of the Board’s four goals with a few sample actions for implementation. Goal one calls for conducting internal audits and goal two requires the implementation of an evaluation tool for the Head of School. The remaining two goals and actions for implementation do not refer to any evaluative processes.

Exhibit 1-10 ISOK’s Board’s Strategic Plan & Goals

Goal 1: Dedication to the School Charter
Ensure compliance with the school mission, vision and school charter.
•Promote community awareness so students that are struggling and looking for another option are aware of ISOK as a choice
•Actively pursue legislative and/or regulated requirements to become designated as an alternative education site
•Conduct internal audits and develop plans annually to improve the key elements of school design
Goal 2: Organizational Capacity
Sustain a well-functioning organization through committed and competent governance and an organizational structure that supports the unique needs of at-risk students.
•Build capacity and expertise for teachers on alternative education philosophy and techniques through targeted professional development

³ ISOK Board Strategic Plan 2016-17

Goal 2: Organizational Capacity (cont.)
•Increase board expertise through board training on school finance, compliance with applicable laws such as open meetings, and student achievement
•Implement evaluation tool for school’s management company/representative

OEQA adaptation of ISOK’s Board’s Goals – 2017

ISOK’s Board’s Strategic Plan has an excellent beginning with its goal setting and planning actions to accomplish those goals. However, without other vital components such as evaluation of the plan’s implementation, it will be difficult to gauge its timelines and fidelity. In reviewing the headings on a chart that outlines ISOK’s Board’s Strategic Plan and Goals (**Exhibit 1-11**), it is clear that there will be at least a timeline and monitoring of implementation. Yet, this still does not meet all criteria necessary in successfully implementing a strategic plan.

**Exhibit 1-11
ISOK’s Board’s Strategic Plan & Goals Chart Headings**

Goal/Strategy	Vision Statement	Begin	Fully Implemented	Status Update
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Excerpt from ISOK’s 2015-16 Strategic Plan & Board Goals

As stated in the Balanced Scorecard’s description of the basic phases in strategic planning, phase number 4 seems to most often be the weakest link in the strategic plan implementation process. Phase 4 is the “evaluation or sustainment/management phase, where ongoing refinement and evaluation of performance, culture, communications, data reporting, and other strategic management issues occur”.

RECOMMENDATION

ISOK should include in their strategic plan, steps that provide for an evaluation of the effectiveness of implementation measures taken to meet the plan’s stated goals.

There is a plethora of planning tools available for schools to review, adopt, and adapt to their own specific strategic planning needs. Nevertheless, the phases presented in the Balanced Scorecard should all be considered. In **Exhibit 1-12**, a sample document for strategic planning is presented. There are fields that indicate how the action is to be evaluated for effectiveness and efficiency along with the tools to be used for the evaluation.

**Exhibit 1-12
Sample Strategic Planning Chart**

Step 1. Planning the Process – School leadership team plans for the process for Building a Data Literate Culture. Goal 1: Establish an informed District/School Leadership Team with #__ members by 07/14/2017.					
Activity	Timeline	Person(s) Responsible	E¹vidence E²valuation Tools	Resources	Significant Obstacles
Team members that are not formal leaders of the district will be contacted by their closest supervisor. See Toolkit for recruiting ideas	Begin recruiting in early May and finished by Mid-May	Superintendent Building Principals	E ¹ List of members E ² How well did these members work out? Use participation rubric	BDLC Toolkit	Time, willingness to serve
Goal 2: Conduct the first leadership meeting at least one month before the start of the school year and decide on what data will be part of the Indicator System.					
Activity	Timeline	Person(s) Responsible	E¹vidence E²valuation Tools	Resources	Significant Obstacles
Using a Doodle Poll send out several dates/times for members to select from to determine a date for the first meeting	Poll should be pushed to participants May 30 th .	Superintendent or designee	E ¹ Online poll results E ² Did the poll work well or should there be another platform?	Toolkit – has step-by-step directions for creating a Doodle Poll	Time Weak technology skills
Using gathered data (OEQA) and district students’ performance data, decide which indicators will be focus for all data meetings.	Should occur in July at the latest	Superintendent / Principal Leadership Team	E ¹ 3-5 Indicators Chosen E ² An indicator system is created	Retain an individual who is fluent in EXCEL to create the Indicator System or use the sample	Keeping the System updated with student data – there are tools for the teachers to keep track
Team decides the expectations and procedures for implementing the BDLC data meetings.	Should occur at July meeting	Leadership Team	E ¹ List of Expectations/ Procedures E ² End of Qtr check-up rubric	OEQA assistance/ Sample list of Expectations & procedures in Toolkit	None

Source: OEQA 2016

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 1-10

ISOK is notable for its proactive approach of identifying problems, and precipitously acting upon those problems. However, there is a considerable disconnect between ISOK’s new learning platforms, processes and procedures and the capacity of ISOK’s stakeholders to adapt successfully to those changes.

Exhibit 1-13 provides a sampling of staff perspectives related to ISOK’s implementation procedures of new platforms, processes and or programs.

Exhibit 1-13
Sample Comments Related to ISOK Implemented Changes Overtime

Staff Survey Responses to “What do you like least about your Virtual Charter Academy?”
That everything changes every year. There is very little continuity from year to year. Stop changing the learning platform every year or two, it confuses families and makes things harder on teachers and students who need to learn how to do everything all over again.
More teachers on staff. We are growing and more is being added which limits that one on one time or small group time that makes this school such an asset to the students and families.
Constant and frequent technology problems. There are too many platforms. A cutting-edge virtual company should have a cutting-edge platform...one interface with everything else going on behind the scenes.
Schedules are a mess. They were not well thought out. We have three classes each block, but we can have up to four tested subjects, therefore, we are cramming the test subjects in blocks 2 and 3 and leaving 1 and 4 with mostly electives. This type of planning has students completing physical science and taking biology at the same time so they can get the tested subjects in.
What I like least is that the implementation of different programs, schedules... A suggestion to make the schedules better- we need to offer what we promise our students, which are credit recovery courses as well as blocks where we do not have all core courses.

OEQA – ISOK Survey Results 2016

In review of the stakeholder comments, the common theme of ‘continuous change’ was identified as a reason for stakeholder discontent and a possible barrier for student motivation and achievement. Common examples provided in the surveys’ open response sections were changes in the classroom platform, the mandatory Classroom Connects, the schedule flexibility, and too many changes as one time.

RECOMMENDATION

ISOK should evaluate and then replace current program and policy implementation procedures that are serving as barriers to stakeholder success and customer satisfaction.

As part of the planning process, ISOK should clearly define the objectives and outcomes of the policy that is being implemented. It is essential to determine what successful outcomes will look like and what evidence will be needed to demonstrate success. As this has planning implications, strategizing needs to occur from the outset and ensure procedures are fit-for-purpose.⁴ Elements to consider when evaluating implemented procedures may include:

- **Is there a systematic approach to planning** - Without a systematic planning approach in place, it can be difficult to understand how processes and activities will contribute to intended outcomes, and how they will be measured along the way. An effective approach identifies all the main components of an initiative and plans out all the activities as a cause-and-effect chain and sets out what is to be monitored, reviewed and evaluated. It generally includes objectives, inputs, processes, activities, outputs and outcomes. When done thoroughly, a systematic planning approach can identify gaps and highlight the importance of particular activities.

⁴ <https://www.dpmc.gov.au/sites/default/files/files/pmc/implementation-toolkit-5-monitoring.pdf>

- **Are we collecting irrelevant or insufficient data** - Any number of problems can arise when the data collected as part of the monitoring/evaluation activity is not relevant or able to measure the expected outcomes of the initiative. Evaluation will be of little value if the available data cannot answer questions about actual delivery. Baseline data needs to be established as part of the early implementation phase so that monitoring data is comparable and collected consistently.
- **Are participants involved in the process** - Create a culture where review and evaluation are seen as critical steps in implementation to gather evidence for informed decision-making about policy and next steps.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

D. PERSONNEL MANAGEMENT/PROFESSIONAL DEVELOPMENT

Personnel Management

Personnel costs are typically the largest budgetary item for school districts. As a result, efficient and effective management of human resource functions is critical to the overall operations of a district. Typical tasks of a school district's human resources department include the following:

- recruiting employees;
- overseeing the interviewing, selection, and processing of new employees;
- retaining employees;
- processing promotions, transfers, and resignations;
- determining and maintaining compensation schedules;
- managing insurance programs;
- managing employee benefits programs;
- planning and forecasting personnel needs;
- maintaining complete employee records, including records on training and certification;
- developing and maintaining job descriptions, which includes establishing required job credentials;
- managing the employee evaluation process;
- handling employee complaints and grievances, including grievance procedures;
- developing personnel policies; and
- ensuring the employer follows all laws and regulations.

In order to support the mission of a school district, it is important that these human resources functions be efficient, effective, and aligned to federal and state law. Like most other employers, public school districts must comply with federal laws governing human resources management. These laws include:

- *Fair Labor Standards Act*, which governs wages and hourly payments;
- *Americans with Disabilities Act*, which requires employers to provide reasonable accommodation to any employee or job applicant who has a disability; and
- *Equal Employment Opportunity Act*, which prevents employers from making hiring and firing decisions based upon age, race, religion, gender, or other factors not related to performance.

Title 70 O.S. § 3-136 states, “Except as provided for in the Oklahoma Charter Schools Act and its charter, a charter school shall be exempt from all statutes and rules relating to schools, boards of education, and school districts.” This statute has been interpreted to mean that charter schools are not required to necessarily provide the same due process for teachers as other public school districts. Charter school teachers are “at-will” employees like most private sector employees and work at the discretion of the governing board of the school.

However, charter schools are required to maintain certain employee documentation in regard to employee contracts. Title 70 O.S. § 3-135 states the following regarding employee contracts:

A charter school shall not enter into an employment contract with any teacher or other personnel until the charter school has a contract with a sponsoring school district. The employment contract shall set forth the personnel policies of the charter school...The contract shall also specifically set forth the salary, hours, fringe benefits, and work conditions...Upon contracting with any teacher or other personnel, the governing body of the charter school shall, in writing, disclose employment rights of the employees in the event the charter school closes or the charter is not renewed.

Title 70 O.S. § 3-136 further states, “Employees of a charter school may participate as members of the Teachers' Retirement System of Oklahoma in accordance with applicable statutes and rules if otherwise allowed pursuant to law...A charter school may participate in all health and related insurance programs available to the employees of the sponsor of the charter school.”

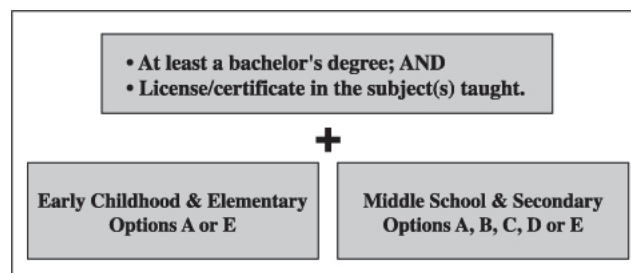
In the case of ISOK, all employees are employed by K12 and are not included in the Oklahoma Teachers Retirement System. However, K12 employees are provided with health insurance and do have access to a defined contribution retirement plan.

&

FINDING 1-11

ISOK has adopted a rigorous interview process that allows the administration to observe and examine a teacher candidate in all areas of performance. This process contributes to ISOK’s ability to not only hire “Highly Qualified” certified personnel, but this school is intentional in acquiring high quality teachers. “Highly Qualified” refers to the following definition listed on the Oklahoma State Department of Education’s website:

According to the No Child Left Behind Act of 2001 highly qualified teachers of early childhood education, elementary education and core academic subjects (English, reading, language arts, mathematics, science, foreign languages, civics and government, economics, the arts [art and music], history, and geography) have:



Option A: Passed a state certification test in level/subject taught, or

Option B: Completed an undergraduate academic major or coursework equivalent to an undergraduate academic major (24 semester hour of subject-specific coursework) in subject taught as documented by the teacher's official transcript, or

Option C: Completed a graduate degree in subject taught, or

Option D: Holds certification through National Board for Professional Teaching Standards in subject taught, or

Option E: Demonstrated competency in each subject taught based on a high objective uniform state standard of evaluation (HOUSSE).⁵

COMMENDATION

ISOK is to be applauded for their diligence in acquiring a competent teaching staff that is both appropriately certified and meeting the standard of being “Highly Qualified” despite the fact charter schools are not required to meet such high standards.

⁵ <http://sde.ok.gov/sde/highly-qualified-definition-and-high-objective-uniform-state-standard-evaluation-housse#Definition>

FINDING 1-12

ISOK, as a charter school, has fewer requirements with regard to following state mandates concerning teacher/leader evaluations; yet this online school seeks to not only meet those mandates, but exceed those expectations. ISOK has provided a cross-walk between the K12 teacher evaluation process and the Marzano evaluation instrument, which is one of two state approved evaluation instruments, thus providing a thorough tool for evaluating all certified staff.

Exhibit 1-13 below shows the responses from 35 ISOK staff regarding the school’s evaluation process. Of the 35 survey respondents, 51 percent (18 respondents) are certified staff that would be evaluated using the teacher/leader evaluation system. A majority of the respondents agreed with the statements, “I received adequate training on the teacher/leader evaluation instrument our district has adopted” and “Our district principals regularly evaluate staff members on the adopted evaluation criteria designed to improve teaching and learning.”

Exhibit 1-13
ISOK Staff Survey Results Regarding the Teacher Evaluation Instrument

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
I received adequate training on the teacher/leader evaluation instrument our district has adopted.	13%	53%	23%	7%	3%
Our virtual charter academy’s principal regularly evaluates staff members on the adopted evaluation criteria designed to improve teaching and learning.	17%	59%	21%	3%	0%

Source: OEQA - ISOK Survey Results (2016)

In addition to the formal evaluation system conducted by the school’s principals, there is also a formative feedback process conducted by the instructional coaches. The instructional coaches use a “pocket rubric” created by K12. This “pocket-sized” version is intended to guide teacher observations and feedback discussions held every two to three weeks.

COMMENDATION

Although ISOK is not required to meet the teacher/leader evaluation mandate, the school adheres to a rigorous evaluation system that incorporates the K12 tool with the state-approved Marzano evaluation tool.

FINDING 1-13

ISOK does not have an in-depth focus and rigor in place for evaluating the schools’ principals in their role as instructional leaders. In review of interview notes and submitted documents there was no indication of a rigorous process that emulates what is expected of ISOK’s teachers. On page 39 of *K12’s Academic Plan: A Framework of Standards and Guidelines 2016-17* for all

K12 charters across the U.S., there is a list of responsibilities to which the administrator/principal of each school should adhere to ensure instructional quality and academic compliance. Yet, in reviewing the K12’s evaluation instrument, which is based on a business model, there is only weak alignment with not only these administrator/principal guidelines, but also the state-approved evidenced-based leader evaluation instruments. Although ISOK is not required as a charter to follow the Teacher/Leader Effectiveness (TLE) legislation, following such should be considered a best practice.

The TLE legislation (70 O.S. Supp. 2015, § 6-101.16), leader evaluation require “An evidence-based qualitative assessment tool for the leader qualitative portion of the TLE that will include observable and measurable characteristics of personnel and site management practices that are correlated to student performance success...”. **Exhibit 1-14** provides a comparative look at the components of TLE legislation regarding evaluation of principals, the McREL Principal Evaluation Instrument, and K12’s Administrator/Principal Annual Review Instrument. McREL was selected as part of this comparison because 94 percent of Oklahoma school districts adopted this model.

Exhibit 1-14
Comparative Look at TLE Principal Evaluation Components

TLE Legislation: Leader Evaluation Required Components	McREL’s State Adopted TLE Principal Evaluation Components	K12’s (ISOK’s) Administrator/Principal Annual Review Components
A district evaluation rating system (5 tiers): a. Superior b. Highly Effective c. Effective d. Needs Improvement e. Ineffective	Principal Evaluation System (5 tiers): a. Distinguished b. Accomplished c. Proficient d. Developing e. Not Demonstrated	Annual Review for Principal (4 tiers): a. Exceeds b. Meets c. Meets Some Expectations d. Needs Development and Coaching
Practices – Areas of Evaluation a. organizational and school management, including retention and development of effective teachers and dismissal of ineffective teachers, b. instructional leadership, c. professional growth and responsibility, d. interpersonal skills, e. leadership skills, and f. stakeholder perceptions;	Framework Components Sub-components based on a Principal Leadership Responsibilities 1. <u>Associated with managing Change</u> : Change Agent – willing to challenge status quo; Flexibility – Adapts leadership to the needs of current situation; Ideals and beliefs about school/schooling – operates communicates; Intellectual stimulation – ensures staff is operating from current theories/best practices as cultural actions; Is knowledgeable of curriculum, instruction, and assessment best practices; Monitor and evaluates effectiveness of school practices	Goal Areas for K-8 principal 1. <u>Improve Business processes</u> : Achieve compliance; achieve assessment participation. 2. <u>Improve individual and school performance through involvement</u> : growing in role; compliance in observations. 3. <u>Improve our student achievement across K-8</u> : Improve completion of ELA/Math courses; Schools will meet or exceed expectations for the 4 elements of implementation of the academic plan. 4. <u>Improve Professional Relationships & customer</u>

TLE Legislation: Leader Evaluation Required Components	McREL’s State Adopted TLE Principal Evaluation Components	K12’s (ISOK’s) Administrator/Principal Annual Review Components
	<p>and their impact on student learning; Optimize – inspires and leads new innovations.</p> <p>Framework Components Sub-components based on a Principal Leadership Responsibilities (cont.)</p> <p>2. <u>Associated with focus of leadership</u>: Contingent rewards, Discipline – protects teachers from issues/influence that would detract; Focus – establishes clear goals and keeps at the forefront; Directly Involved in curriculum, instruction, and assessment; Order – establishes a set of procedures and routines; Outreach – is an advocate of the school to all stakeholders; Resources – provides teachers with PD necessary for the execution of their jobs.</p> <p>3. <u>Associated with purposeful community</u>: Affirmation celebrates school accomplishment and acknowledges failures; Communication – establishes strong lines of communication with teachers and among students; Culture – fosters shared beliefs and a sense of community; Input – involves teachers in the design and implementation of important decisions; Relationships – demonstrates awareness of the personal aspects of teachers and staff; Situational Awareness – uses this info to address current problems; Visibility – has quality contacts/interactions with teachers and students.</p>	<p><u>satisfaction</u>: Increase school viability through Charter contracts and EPSA renewals; Increase board/partner relations;</p> <p>Goal Areas for K-8 principal (cont.)</p> <p>Develop and implement programs that increase the percent of learning coach/parent respondents that rate their satisfaction at a higher rating.</p> <p>5. <u>Improve the financial health and viability of the school.</u></p> <p>Competencies</p> <p>6. <u>Communication</u>: communicates well verbally/writing; creates accurate reports; delivers presentations; has good listening skills.</p> <p>7. <u>Customer Focus</u>: is committed to customer satisfaction.</p> <p>8. <u>Initiative</u>: tackles problems and takes on challenges.</p> <p>9. <u>Integrity</u>: straight forward and honest with others.</p> <p>10. <u>Sense of Urgency</u>: prioritizes well; instills urgency in others.</p> <p>11. <u>Teamwork</u>: meets team deadlines and responsibilities; promotes a team atmosphere.</p>

OEQA Presentation of McREL and K12 Administrator/Principal Annual Review Instruments (2017)

In addition, there did not appear to be an evaluative component or written policies for the evaluation of school leadership below the principal level (i.e., instructional coaches, department chairs, etc.). It was noted that the Deputy Head of School is responsible for the evaluation of the principals.

Exhibit 1-15 indicates the level of satisfaction among staff as it pertains to the performance of their assigned principal. Eighty-three percent of survey participants *strongly agree* or *agree* that their principal is accessible and effectively communicates with them while 83 percent strongly agree or agree that their principal is an effective instructional leader.

Exhibit 1-15
Staff Survey Results Regarding Principal Performance

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
My Principal is accessible and effectively communicates with staff.	48%	35%	14%	3%	0%
My Principal is an effective instructional leader	54%	29%	14%	4%	0%

Source: OEQA - ISOK Survey Results (2016)

Although it appears that ISOK has acquired leadership personnel with excellent communication skills and high competency in instructional leadership, there should be a greater focus or emphasis on the ongoing improvement process for the leadership staff with an evaluative tool that is more focused on the principal’s role as the instructional leader coupled with policies/procedures that are as rigorous as the teacher evaluative process. One of the guiding principles or K12 Pillars relates to leadership:

K12 school-based leaders are adept at the essential leadership skills needed to drive comprehensive school success. Our leaders are strategic, exhibit great personal leadership and hold themselves and all school stakeholders to the highest standards and maintain a relentless focus on student achievement and school success.

The Principal Evaluation Instrument that is a K12 product, and is based on a business model, does not provide the evidenced-based components that have been approved by the state of Oklahoma for use in evaluating principals.

RECOMMENDATION

ISOK should ensure that the principal’s (and other instructional leaders’) policies, procedures, and evaluation instruments are more closely aligned with evidenced-based findings and practices and better match the rigor of ISOK’s teacher evaluation system.

ISOK has done an outstanding job in describing the *teacher* evaluation process with accompanying documents that describe the procedures, expectations, and tools. Such emphasis was not clearly notated or as observed with regard to the principal/instructional leader evaluation process. OEQA recommends that ISOK replicate the more evidence-based approach used in the teacher evaluation process for the principal/instructional leader evaluation.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 1-14

ISOK utilizes K12's adopted UltiPro system for all human resource activities such as evaluation and professional training/development. UltiPro by Ultimate Software is described as a "comprehensive payroll, human resources (HR) and talent management system that is delivered on-demand as Software-as-a-Service in the cloud, giving organizations an accessible solution for human capital management (HCM)". ISOK, via K12, uses UltiPro to train and evaluate all support personnel (such as the Family Academic Support Team). It is also used to provide technology training for staff.

COMMENDATION

ISOK has been proactive in ensuring that support personnel are evaluated, given effective feedback, and provided training to assist in any areas of improvement through the use of the UltiPro human capital management system.

FINDING 1-15

While ISOK has been diligent in providing employee handbooks for certified staff, there did not appear to be a specific ISOK handbook for support staff or administrative staff. There are three handbooks for certified staff: the *Teacher Handbook*, the *Middle School Handbook Supplement* and *High School Handbook Supplement* for teacher staffs who are assigned to the middle school and high school. One handbook, the *K12 Employee Handbook*, appears to be generic and applies to all staff employed by this national company, however, not necessarily specific to ISOK support staff or administrative team.

The most recent version of the handbooks specifically for ISOK staff is dated for the 2016-17 school year. The *K12 Employee Handbook* was updated May, 2016. Items listed within the table of contents are provided in **Exhibit 1-16**.

Exhibit 1-16 K12 Employee Handbook Table of Contents

WELCOME!	ABSENTEEISM AND TARDINESS
OUR VISION	EMERGENCY CORPORATE OFFICE CLOSING
OUR BELIEFS	LEAVE POLICY FOR NATURAL DISASTERS
OUR VALUES	AND EMERGENCIES
EQUAL EMPLOYMENT OPPORTUNITY POLICY	TIME OFF POLICY
AMERICANS WITH DISABILITIES ACT (ADA)	LACTATION/BREASTFEEDING
CLASSIFICATIONS OF EMPLOYMENT	FAMILY AND MEDICAL LEAVE (FMLA)
HR PORTAL	NON- FMLA MILITARY LEAVE POLICY
PERSONNEL FILES	K ¹² NON-FMLA MEDICAL LEAVE
EMPLOYMENT VERIFICATION	PAYDAY AND DIRECT DEPOSIT
MEDIA INQUIRIES	TIMESHEETS AND TIME-OFF REPORTING
OPEN-DOOR POLICY	OVERTIME FOR NON-EXEMPT EMPLOYEES
PERFORMANCE	EXEMPT EMPLOYEES REDUCTION OF SALARY
EMPLOYMENT AT WILL	GARNISHMENTS AND LEVIES
TERMINATION OF EMPLOYMENT	INTERNAL TRANSFER (EMPLOYEES CHANGING
INSTRUCTIONAL STAFF BONUS PAYMENT	ROLES WITHIN K ¹²)
CODE OF BUSINESS CONDUCT AND ETHICS	OUTSIDE EMPLOYMENT
GIFTS AND ENTERTAINMENT	EMPLOYMENT OF RELATIVES
EMPLOYEE CONDUCT	REMOTE WORKER / HOME-BASED WORKER
ANTI-HARASSMENT AND DISCRIMINATION	POLICY
POLICY	COMPUTER GUIDELINES
GUIDELINES FOR APPROPRIATE CONDUCT	DOCUMENT RETENTION POLICY
(updated 05/2012)	USE OF COMMUNICATION AND INFORMATION
PROGRESSIVE DISCIPLINE (updated 05/2012)	TECHNOLOGY SYSTEMS
WHISTLEBLOWING AND GENERAL COMPLAINT	INTERNET CODE OF CONDUCT
RESOLUTION PROCEDURE	SOCIAL MEDIA POLICY
ETHICS POINT	SOLICITATION AND DISTRIBUTION OF
VIOLENCE IN THE WORKPLACE POLICY	LITERATURE
WORKPLACE DATING/CONSENSUAL	CORPORATE EXPENSE, TRAVEL,
RELATIONSHIPS	REIMBURSEMENT
WORKPLACE ACCIDENTS (updated 3/2014)	PORTABLE ELECTRONIC DEVICE USE IN
EMPLOYEE SAFETY AND HEALTH	VEHICLES
INTERACTION WITH MINORS	BENEFITS AT A GLANCE
STUDENT RECORDS AND FERPA	DOMESTIC PARTNER POLICY FOR BENEFITS
U.S.- E.U. and U.S. – SWITZERLAND SAFE	WORKERS' COMPENSATION INSURANCE
HARBOR PROGRAMS	EMPLOYEE ASSISTANCE
COMPANY PROPERTY	EMPLOYEE DISCOUNTS
DRUG-FREE WORKPLACE POLICY	EMPLOYEE REFERRAL PROGRAM
WEAPONS	TUITION ASSISTANCE BENEFIT PROGRAM
DRESS CODE	ADDENDA - STATE-SPECIFIC PAID TIME OFF
SMOKING (update 4/2014)	POLICIES
HOURS OF OPERATION	HANDBOOK ACKNOWLEDGEMENT
FLEX-TIME AND FLEX-PLACE	

K12 Employee Handbook Table of Contents (2016)

The *ISOK/OVCA Teacher Handbook* is site specific to ISOK teaching staff. Items listed within its table of contents are provided in **Exhibit 1-17**.

Exhibit 1-17
ISOK Teacher Handbook Table of Contents

Oklahoma Virtual Charter Academy (ISOK)	OVCA/ISOK Employment Agreements
ISOK Mission Statement	State Testing
ISOK School Composition	Outings
ISOK Instructional Model	Teacher Responsibility
Special Programs	Tuition Reimbursement
Gifted	Central Region Technology Support
English Language Learners	Quick Reference Guides (QRG)
Title I, Part A	Setting Up Your Office
Students with Special Education Needs	Computer and Printer/Copier/Fax
Staff Expectations	Home Office Set Up
Request for Time Off	Tips, Tricks, and Policies for Working from Home
Time Off Requests	Flexibility and Accountability
Vacation & Holidays	Teachers & Learning Coach Roles
Personal and Sick Days	Working with Children at Home
Alternate Work Schedule	Advice from Other Teachers
Working Remotely	Smoking/Tobacco Use
OVCA Staff & Professional Development Meetings	ANTI-HARRASSMENT AND DISCRIMINATION
ISOK Staff & Professional Development Meetings	POLICY
In Person Professional Development Meetings	Crisis & Child Abuse Reporting
Teacher Evaluations	FERPA

ISOK Teacher Handbook (2016)

Each of these sections contains subsections that provide greater detail and explanations. All employees must acknowledge that they received a copy of both *Handbooks*. There is much duplication between these two handbooks that could easily be streamlined for clarity and functionality. The ISOK Teacher Handbook does not include information that is specific to administrative staff or support staff, which could cause misinterpretation of policy pertaining to each group. Nor does this handbook specifically address the dynamics of an alternative education.

RECOMMENDATION

ISOK should streamline the two handbooks, include information that is explicitly for administrative staff and support personnel, and rename the title to ISOK Employee Handbook.

ISOK should create a workgroup to begin the process of streamlining the two employee handbooks (K12 Employee Handbook and ISOK Teacher Handbook). The streamlining would focus only on items that would affect all employees. Once the streamlining process has been completed the workgroup should then organize the handbook into additional sections that would have information specific for the three different employee groups.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Professional Development

Professional development is vitally important to school districts. In a virtual school environment it may be more so. Because virtual schools are relatively new to the education landscape, most teachers and staff only have experience in a “brick and mortar” setting. As these experienced staff are hired by virtual charter schools, training on the operations and expectations of the virtual environment become the backbone of instructional delivery. Additionally, at this time there are no official course(s) being implemented within (public) teacher colleges in Oklahoma specifically addressing the pedagogy of online instruction.

FINDING 1-16

ISOK, in sync with K12, offers an excellent professional development program. Professional Development (PD) seems to be unlimited. To get ideas on PD should be offered, administration sends out surveys to solicit teachers’ interests. In addition to surveys the teachers’ academic plan is integrated into PD planning. The adage, what gets measured gets done, is certainly true for ISOK’s teachers’ academic plan. This plan is used to create professional development events to support teachers in accomplishing goals in their plan. However, it is not just another obligatory plan, but the plan that is monitored for how well it is being implemented.

PD is very open and administration is receptive to suggestions. K12 will pay for additional degrees that the teachers may want to earn. **Exhibit 1-18** below shows responses from the staff survey. Eighty-seven percent of participants *strongly agree* or *agree* that their virtual charter provides continuous professional learning based on identified needs while 86 percent *strongly agree* or *agree* the PD is designed to build capacity for all professional staff members.

Exhibit 1-18
ISOK Staff Survey Results Regarding Professional Development

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
In our virtual charter academy, all staff members participate in continuous professional learning based on identified needs of the students and teachers	37%	50%	7%	7%	0%
In our virtual charter academy, a professional development program is designed to build capacity among all professional staff members.	43%	43%	3%	10%	0%

Source: OEQA - ISOK Survey Results (2016)

COMMENDATION

ISOK provides excellent professional development opportunities for their staff in order to grow professionally and to better perform their job functions.

FINDING 1-17

Survey responses and interview/focus group comments indicate that some non-teaching staff believes that they are not provided the training necessary to adequately perform their job functions. **Exhibit 1-19** indicates that 64 percent of survey respondents *strongly agree* or *agree*, that they receive adequate training to perform their job functions.

Exhibit 1-19 Staff Survey Response to Job Training

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
I receive adequate training overall to perform my job functions.	17%	47%	17%	13%	7%

Source: OEQA - ISOK Survey Results (2016)

RECOMMENDATION

ISOK administration should conduct further inquiry of all professional staff to determine steps to improve training and ensure that all professional staff is adequately prepared to perform their assigned job tasks.

Based upon the results of this specific survey item and OEQA consultant notes, design an anonymous questionnaire to elicit additional staff responses related to their perceived additional training needs. An assessment process serves as a diagnostic tool for determining what training needs to take place. Questionnaires or surveys can gather data to determine what training needs to be developed to help individuals and the organization accomplish their goals and objectives. Such an assessment should examine employee and organizational knowledge, skills, and abilities, to identify any gaps or areas of need. Once training needs are identified, then determine/develop objectives to be accomplished by the training. These objectives will form criteria for measures of success and utility.

This analysis can be performed by managers who are able to observe their staff and make recommendations for training based upon performance or gaps between performance and objectives. This analysis can also be performed on an organization-wide level by training and development managers who survey the organization to identify needs. **Exhibit 1-20** provides a list of possible training needs assessment ideas.

Exhibit 1-20 Ideas for Job Training Needs Assessment

Focus on specific work related activities and collect information from a variety of item types and formats.
Open-ended text boxes allow participants to explain their answers in more detail. You are not limited in the number or types of items to include on your survey.
Your Training surveys can be used to determine readiness for implementation of HR programs and processes.

Source: HR Survey.com

FISCAL IMPACT

This recommendation can be implemented with existing resources.

E. COMMUNICATION AND PARENTAL INVOLVEMENT

Communication with stakeholders should be a priority for brick-and-mortar school districts. In a virtual school environment, it is equally important. Because so little communication in a virtual setting occurs face-to-face, communication via multiple platforms is necessary. Telephone calls, email, Instant Messenger, and social media are all options for virtual school communication.

A traditional means of communication that applies universally to brick-and-mortar schools and virtual online schools is some form of student and/or parent handbook. This is the means by which all of the laws, policies, procedures, opportunities and expectations of the school are conveyed to students and parents. When in doubt on how to proceed... check the handbook! The existence of a well-written handbook puts both student and parent at ease because, up-front, they know how to function and behave if they plan to succeed in achieving their educational goals.

Research shows that parental involvement impacts district and student performance. In a “brick-and-mortar” setting, parents can visit a school site, attend functions, and visit with a teacher or administrator face-to-face. In the virtual school environment, these are not always options for parental involvement. Virtual schools around the nation continue to work on creative methods to involve parents in the educational process of their students.

FINDING 1-18

ISOK effectively communicates with its staff. Interviews and survey results indicated that the school’s administration is accessible to and communicates regularly with the teaching and support staff. Communication takes place via phone, Internet, and face-to-face professional development and staff meetings. Insufficient or ineffective communication within a district is often cited as a problem in *Oklahoma School Performance Reviews*; however, ISOK’s efforts to communicate with staff are commendable.

Exhibit 1-19 below shows the responses from ISOK staff regarding the school’s communication with staff. A large majority of the respondents agreed with the statements, “The central office is accessible and effectively communicates and with district staff” and “My Principal is accessible and effectively communicates with staff.”

**Exhibit 1-19
ISOK Staff Survey Results Regarding
Communication with Staff**

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
The central office is accessible and effectively communicates with district staff.	37%	40%	20%	3%	1%
My Principal is accessible and effectively communicates with staff.	48%	35%	14%	3%	0%

Source: OEQA - ISOK Survey Results (2016)

COMMENDATION

ISOK administration’s communication with staff is effective and survey results show the importance placed on this effort.

FINDING 1-19

There was a mixture of positive and negative comments from the parent and student surveys’ open response section regarding communication from staff to parents and to students. The responses to one question in the parent survey related to this issue as seen in **Exhibit 1-20**, indicates that 65 percent of *parents agree* or *strongly agree* that their child’s teachers kept them informed regularly of his/her child’s academic progress while ten percent *strongly disagree* or *disagree*.

**Exhibit 1-20
Parent Survey Response Regarding Staff Communication to Parents**

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
My child’s teachers keep me informed regularly of my child’s academic progress.	32%	33%	25%	9%	1%

Source: OEQA - ISOK Survey Results (2016)

When analyzing the qualitative data (parent and student survey comments), several themes emerged. Communication was one of several themes that appeared when analyzing the parent and student survey data. **Exhibit 1-21** provides a sampling of the comments related to communication between staff and students and staff and parents.

Exhibit 1-21
Sample Comments from Parents and Students Related to Staff Communication

Parent Survey Responses to <i>What do you like best about your child's virtual charter academy?</i>
Teachers respond to his questions quickly
The teachers actually care and show concern for the students. I like the fact that if a student appears down online in class, they will call or email the student to check on them. The teachers are very patient as well.
K12 keeps me informed on every move my child makes. Every assignment that has been turned in and ones that haven't. Every email my child gets I also get it too.
Parent Survey Responses to <i>What do you like least about your child's virtual charter school? or "What suggestions would you like to offer to improve our virtual charter school?"</i>
I have not received any feedback from the teachers
It is not easy to get in touch with the teachers or staff when I have concerns about specific things in a class.
Lack of response when trying to communicate with teachers.
Better personal communication between teachers and students.
Student Survey Responses to <i>What suggestions would you like to offer to improve our virtual charter school? Or What do you like least about your virtual charter school?</i>
Fix the school email or bring back kmail because communicating with teachers through email is difficult.
The classes should be smaller because sometimes the teachers don't really look at the chat box or private chat and never answer my questions
Communication with the new school email system
that a lot of the teachers arent really contacting me very often

Source: OEQA - ISOK Survey Results (2016)

Some reasons students and parents gave for limited communication from teachers was due to large class sizes. When reviewing ISOK’s staffing it appears that some core classes would be considered over-populated by traditional brick-and-mortar class size standards. **Exhibit 1-22** provides a sample of ISOK staffing.

Exhibit 1-22
Sampling of ISOK Class Sizes

Course	Section	Number of Students
English	ENG102A_LAC1_Sec1_Quarter2_16-17	51
	ENG102B_LAC1_Sec1_Quarter2_16-17	113
	ENG202A_LAC2_Sec1_Quarter2_16-17	71
Science	SCI08A_PhysicalSci_Sec1_Quarter1_16-17	47
	SCI102B_PhysicalSci_Sec1_Quarter2_16-17	127
	SCI07A_MSLifeSci_Sec1_Quarter1_16-17	40
	SCI202A_Biology_Sec1_Quarter2_16-17	65
Social Studies/ History	HST312A_ModUSHist_Sec1_Blk2_16-17	96
	SocialStudies8A_Sec1_Quarter1_16-17	47
	GeographyB-FN_Sec1_Blk2_16-17	52

Course	Section	Number of Students
	SocialStudies7A_Sec1_Quarter1_16-17_semester1	40
Math	MTH107B_DevAlgebra_Sec1_Quarter2_16-17	26
	MTH122A_Algebra1_Sec1_Bl2_16-17	99
	MTH07AST_Math7_Sec1_Quarter1_16-17	40
	MTH08AST_Math8_Sec1_Quarter1_16-17	47

ISOK Data – 2016-17

RECOMMENDATION

ISOK should pursue decreasing class sizes to ensure communication barriers are reduced.

The OSDE found no instances of noncompliance with ISOK; however, the agency provides a list of best practices for Oklahoma alternative education sites/schools to consider. Small class size is one of the top suggestions for ensuring students do not fail. ISOK should begin with decreasing class sizes in core subject areas that have the lowest percentage of student proficiency, highest absenteeism rates, and highest level of non-engaged students.

Students served in Oklahoma's Alternative Education programs are at risk for high school failure for a variety of reasons which may include academic deficiency, behavioral difficulties, excessive absences, pregnancy or parenting, adjustment problems, or juvenile justice involvement. Alternative Education programs are specifically tailored to meet the needs of students who may be struggling with poverty, substance abuse, family dysfunction, or psychological or physical trauma. Some of the unique features of many Alternative Education programs include:

- Flexible scheduling
- **Small class sizes**
- Youth and family involvement in goal-setting
- Learning activities based upon students' interests and abilities
- Career skills training
- Service learning opportunities
- Innovative instructional techniques
- Open communication and positive relationships with faculty
- Assistance with entrance to college or vocational training⁶

FISCAL IMPACT

This recommendation can be implemented with existing resources.

⁶ <http://sde.ok.gov/sde/alternative-education-programs>

FINDING 1-20

The ISOK Parent and Student Handbook is inconsistent and confusing.

The first item to strike the review team was the title being “Parent and Student Handbook” rather than a Student and Parent Handbook. We understand that virtual charter schools expect heightened parental involvement and that parents as well as students need to approach this form of instruction with “eyes wide open”. Having said that, most of the information contained in this handbook is directed toward the student... student instruction, student course-taking, student behavior, student performance... so the document would probably be better titled as Student and Parent Handbook.

The handbook’s formatting also caught the attention of reviewers. The document uses five pages for the table of contents and there seems to be no attempt to create any kind of hierarchy or to group items of a similar subject. In the body of the handbook Introduction, General Education, Academic and Grading Policies (to name just a few) are in all capital letters set off on a dark grey bar... yet nothing is done consistently in the table of contents to set these off as being major headings. In fact, there are several erroneous all-cap entries in the table of contents (i.e. CAREER PATHWAYS) that foster additional confusion.

Other examples of formatting problems include headings being left behind at the bottom of one page when the accompanying text is located on the next page (see pages 7, 11, 13, 14, 18, 30, 37, 39, 46, 47 and 48) and a chart being split between pages 17 and 18. Also, pages for the table of contents are typically numbered using lower case Roman numerals and the numbering of all pages should either be centered or placed on whatever is the outside margin any given page.

There are a number of forms or documents such as the School – Parent Expectations Agreement, Student Code of Conduct and Acceptable Use Guidelines, Student Conduct and Discipline Policy, Medication Authorization Form, Medication Request Form, ISOK Retention Grit Plan Agreement and an Intent to Homeschool Form that are mentioned throughout the handbook and it would seem appropriate to include each of these forms or documents as an appendix at the back of the handbook.

Also, while being mentioned in the handbook, the review team was not clear on what staff member was serving as the Safe School Coordinator, the exact nature of a GRIT Plan, the contents of the Academic Progress Policy (APP) and the relationship between “Strong Start”, “Start-Up Success Sessions”, and “Strong Start Live Launch”.

Finally, there are a few errors or omissions throughout the handbook. For example, on page 3 under INDIVIDUALIZED LEARNING insert the word “Plan” in the first line so it reads “...Individualized Learning *Plan* (ILP)...”. And on page 17 under APPEAL OF ASSIGNMENT GRADES, FINAL SEMESTER GRADES AND AWARDING OF CREDIT insert the word “not” in the first line so it reads “Students and parents may appeal a student’s final grade or the school’s decision to *not* award credit...”.

RECOMMENDATION:

Form a working group to select a style guide and then review, reformat, rewrite and finally proof read and edit ISOK's current Parent - Student Handbook.

A working group comprised of administrators, teachers and parents should be formed with the purpose of reviewing the existing handbook, considering example handbooks from other schools,⁷ selecting a style guide and then reviewing, rewriting (following the selected style guide), proof reading and editing the new Student – Parent Handbook for ISOK.

Style guides offer a basic reference for grammar and punctuation, including many definitions and rules for use as well as styles for capitalization, abbreviation, spelling and the use of numerals. There are a number of style guides available for use on this project. The Associated Press Stylebook and Briefing on Media Law (commonly referred to as the AP Stylebook) is used for journalistic and corporate communications. The Chicago Manual of Style (CMS or CMOS) is widely used in publishing in the United States and is appreciated for offering writers a choice of several different formats. A third choice would be the Publication Manual of the American Psychological Association (APA Style) which is used in the composition of academic documents such as journal articles and books. The point of using a style guide is the uniformity that it brings to a document which in turns translates into increased readability.

Once completed, the new Student and Parent Handbook should be reviewed annually to ensure that all sections are current and reflect the latest in state and federal law, board of education policy and district procedure. A well designed handbook should address those questions most frequently asked by students and parents, though it need not be in a FAQ format.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

⁷ <http://memorial.edmondschools.net/wp-content/uploads/sites/4/2017/08/Student-Handbook-2017-2018-rev-2017-08-10.pdf>

Chapter 2:
Instructional Delivery

Chapter 2

Instructional Delivery System

This chapter addresses the instructional delivery system of Insight School of Oklahoma (ISOK) in the following sections:

- A. Professional Learning Community
- B. Curriculum
- C. Instructional Delivery
- D. Student Performance
- E. Special Programs
- F. Student Services

The primary purpose of school districts is to educate all students ensuring each learner has an equal opportunity to successfully enter college/career training and/or the workforce. Many studies have documented the characteristics of effective schools. School Improvement research has been conducted largely within the past 20-25 years and is primarily descriptive based on case studies. These studies indicate that effective schools deliver quality instruction based upon a district's capacity to manage and implement challenging and relevant curriculum.¹

The Office of Educational Quality & Accountability (OEQA) believes the education process requires strongly formed policies and procedures that direct the instructional process, provides well-designed programs to meet the needs of all students, and delivers resources to support program implementation. Also, essential to the education process is the monitoring and evaluation of program effectiveness based upon the PK-12 journey outcomes and student performance data.

A. PROFESSIONAL LEARNING COMMUNITY

Through ample educational research over the years, it has been confirmed that when schools and districts effectively implement professional learning communities (PLCs) there is considerable improvement in student learning as well as adult learning (Annenberg, 2014²; Leana, 2011³). Although the PLC concept has been misinterpreted and defined differently in multiple contexts, OEQA has adopted the definition provided by DuFour, DuFour, Eaker, & Many (2008)⁴:

PLCs are defined as educators committed to working collaboratively in ongoing processes of collective inquiry and action research to achieve better results for the students they serve. Professional learning communities operate under the assumption that the key to improved learning for students is continuous, job-embedded learning for educators. (p. 14)

¹ <http://www.k12.wa.us/research/pubdocs/DistrictImprovementReport.pdf>

² <http://annenberginstitute.org/sites/default/files/product/270/files/ProfLearning.pdf>

³ Leana, C. (2011). The Missing Link in School Reform.

http://www.ssireview.org/articles/entry/the_missing_link_in_school_reform/

⁴ Dufour, DuFour, and Eaker. Revisiting Professional Learning Communities at Work: New Insights for Improving Schools, Bloomington, IN: Solution Tree Press, 2008

Within the context of this definition, virtual charter schools should create the structures for the successful implementation of PLCs by providing the time, space, expectations, accountability, and leadership needed for overall school improvement. Research has shown that when the relationships among teachers in a school are characterized by high trust and frequent interaction—that is, when social capital is strong—student achievement scores improve (Leana). DuFour, et al. (2008) suggested six characteristics that contribute to successful PLCs.

- Shared vision, mission, values, and goals focused on student learning
- A collaborative culture with a focus on learning
- Collective inquiry into best practice and current reality
- Action orientation – learning by doing
- A commitment to continuous improvement
- Results orientation – based on results rather than intention or assumptions

Creating strong professional learning communities holds several potential advantages for schools and districts, but also for virtual charter school districts. Among the positive outcomes reported in the research are: increased efficacy, both collectively and individually; collective responsibility for student learning; reduction in teacher isolation; substantial learning about good teaching and increased content knowledge; higher morale, greater job satisfaction, greater teacher retention rates, and enthusiasm (Annenberg, 2004). Based on these findings and the benefits of PLCs, it is important to commend districts who actively promote these communities in their schools and to support districts that are involved in the earlier stages of PLC development.

FINDING 2-1

ISOK administration and staff have strong beliefs in the importance of a virtual school having a collaborative culture. The collective results of several studies suggest that well-developed PLCs have a positive impact on both teaching practice and student achievement.⁵ More importantly and relevant to virtual schools is the use of virtual-conferencing. Research findings suggest that teachers perceive virtual-conferencing as an effective tool for facilitating PLCs when distance and time are practical barriers to face-to-face meetings.⁶

During interviews and focus group discussions, the teachers described their own culture as one that encourages teachers to work together to address common issues such as student learning, teaching strategies and curriculum resources. This belief and action was especially expressed by the leadership, but also modeled by the leadership staff.

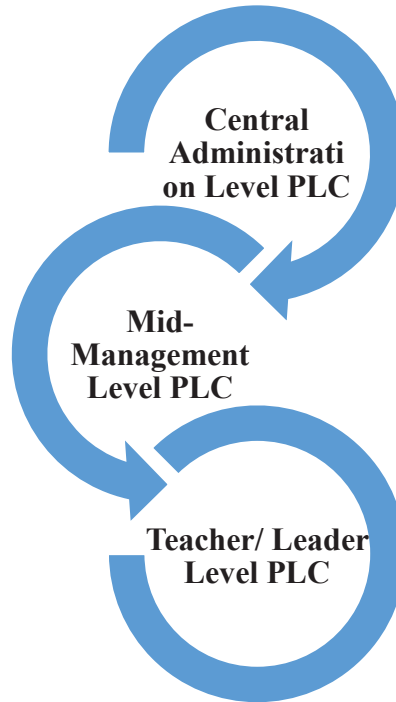
ISOK central administration successfully demonstrates professional learning communities at all levels. The administrative team joins the Head of School each Tuesday online to review several indicators such as student performance and student attendance. Twice per month the Deputy

⁵ Teaching and Teacher Education 24 (2008) 80–91 http://ac.els-cdn.com/S0742051X07000066/1-s2.0-S0742051X07000066-main.pdf?_tid=1075418a-f3be-11e6-a27c-00000aacb362&acdnat=1487191012_7a762d4c8dc29d15c8f79d96489ed296

⁶ T.J. McConnell, J.M. Parker, J. Eberhardt, M.J. Koehler, & M.A. Lundeborg (2012). Virtual professional learning communities: teachers' perceptions of virtual versus face-to-face professional learning communities. *Springer Science & Business Media*. Online J Sci Educ Technology DOI 10.1007/s10956-012-9391-y

Head of School meets with the ISOK principal to discuss data as it relates to instruction, curriculum, assessments, and student performance. The ISOK principal likewise meets with teachers in collaborative meetings online. This PLC approach is best understood and presented in **Exhibit 2-1**. This exhibit provides a picture of the sequential collaborative events that operate within ISOK’s PLC to promote school improvement.

Exhibit 2-1
Representation of ISOK’s PLC Approach



OEQA – District Sequential PLC Model (2017)

Exhibit 2-2 presents the ISOK staff survey results. The survey indicated that 69 percent of survey participants *agree* or *strongly agree* that teachers participate in PLCs that meet online or in person. A significant number (28 percent) had *no opinion*. Of the 35 participants taking the survey 71% percent were certified staff. This data conveys that potentially all of the certified staff are aware and involved in collaborative efforts within the ISOK professional learning community. Additionally, it is noted that 73 percent of survey participants *agree* or *strongly agree* that ISOK teachers have been trained in the PLCs process that promotes discussion about student learning.

Exhibit 2-2
ISOK Staff Survey Results Related to PLC Participation and Training

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Teachers participate in professional learning communities (PLC) that meet online or in person.	38%	31%	28%	3%	0%
Teachers in our district have been trained in the professional learning communities (PLC) process that promotes discussion about student learning.	40%	33%	27%	0%	0%

Source: OEQA - ISOK Survey Results (2016)

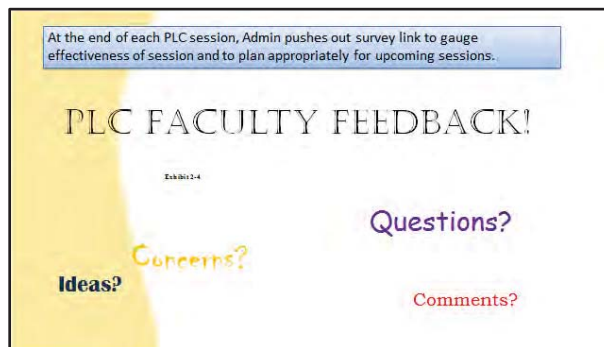
COMMENDATION

ISOK staff understands the value of a professional learning community for continuous school improvement and seeks to implement this evidenced-based practice among leadership and teaching staff.⁷

FINDING 2-2

ISOK leadership is mindful of ensuring that PLC collaborative sessions are not just superfluous events, but that the outcomes indicate that the sessions are indeed effective and supportive. In order to safeguard fidelity, the leadership has developed the PLC Faculty Feedback Survey (**Exhibit 2-3**).

Exhibit 2-3
PLC Faculty Feedback Survey



ISOK – Teacher Handbook

The Survey is a simple seven-item form that solicits the participants’ views on criteria such as “What was the most helpful strategy you learned during the PLC”. The survey also allows the participants to rate the effectiveness of that day’s PLC session (**Exhibit 2-4**).

⁷ <http://www.calpro-online.org/pubs/evidencebasedprofessionalllearning.pdf>

Exhibit 2-4
Sample Item from PLC Faculty Feedback Form

How would you rate the effectiveness of this PLC? *

4- Highly effective, very useful

3- effective, useful

2- not extremely effective, not very useful

1-not effective/not very useful

This is a required question

ISOK – Teacher Handbook Online

COMMENDATION

ISOK leadership makes strategic efforts toward ensuring that the evidenced-based practice of PLC collaborative time is well-developed and has a potential for a positive impact on both teaching practice and student achievement.

FINDING 2-3

OEQA consultants noted from the collected data that ISOK has various scenarios for meetings. According to the ISOK Teacher Handbook, 16 percent of the certified staff members' time is devoted to meetings as shown in **Exhibit 2-5**. The Data Dig PLC meetings are once or more per week and content/PLCs meeting once per week. Other than the narrative of expectations found in the *ISOK Collaborative Team Efforts* document, there was not a clear picture of what procedures, norms, and agendas were used or expected.

Exhibit 2-5
ISOK Staff & Professional Development Meetings

- Monday-Friday 8:30-9:00 Good Morning ISOK Staff
- Monday 11:00-Noon Staff Meeting
- Tuesday 4:00 Committee Meetings
- Wednesday 4:00 PLC
- Thursday 4:00 Committee & DDI Meetings
- *Friday 3:00-5:00

**Meeting designation was not listed in the Handbook*

Most weekly/bi-weekly meetings are virtual rather than face-to-face. According to the survey results and focus group feedback, most feel the meetings are relevant, but not all meetings, outside of the data-dig meetings, operate with a clear focus. Without formalizing the collaborative process by including essential structures and tools then any meetings occurring

with informal efforts will not produce the critical growth needed in student achievement and teacher development.

One of the important aspects any virtual charter should consider in ensuring a productive PLC is to create effective structures for the initiative. To accomplish this mission, the school leaders – must take the lead on examining what structures are currently in place and/or not in place to support frequent formalized collaboration opportunities among staff. Structural elements that should be considered to ensure successful implementation may include:

- **Values & Beliefs** – what we believe and aspire to make happen
- **Procedures** – expectations, norms, agendas, accountabilities
- **Time** – specific time delegated weekly for collaborative teams
- **Space** – designated data rooms, meeting rooms
- **Materials** – formative assessments, multiple sets of data;
- **Technologies** – software/programs to support PLC actions

ISOK is commended on having most of these structures in place. However, procedures appear to be a weak link in this line-up. Common agendas that are adhered to for each meeting should be the centerpiece that provides stability and guidance.

RECOMMENDATION

ISOK leaders should formalize the PLC collaboration process by incorporating common procedures that will maintain focus and create stability for each meeting. Well-developed PLC collaborative time drives improvement of student achievement and contributes to the professional growth of teachers.

The consulting team noted some common values shared by the ISOK staff such as all students deserve to be treated with dignity and respect and should be taught by a teacher that cares about their achievement. Further, this staff values the importance of working together as a team and are committed to continuous improvement. Building on this foundation, adding tools to equip their time together certainly strengthens the outcomes.

In the past decade there has occurred a deeper understanding of what steps and procedures should be in place in moving teachers from isolation or even from a collaborative “hit and miss” approach to a more structured result-oriented event.⁸ Providing only the element of time for teachers to meet is not sufficient and will not affect school improvement if the focus is on issues that do not directly impact student learning. When school leaders consider a procedural approach that is focused on student learning and purposeful strategies then educators will engage in collaboration that impacts both students and adult learning.⁹

ISOK staff should consider developing agreed upon norms that are drafted by the group to follow each meeting. Norms make collaboration and group meetings more effective by guiding team behavior. Adopting norms enable team members to hold each other accountable for any

⁸ DuFour, et. al., (2008). Revisiting Professional Learning Communities at Work.

⁹ Ibid

behavior that is negatively impacting the success of the team. Clearly assigned roles and responsibilities help the team build internal capacity for planning and holding effective and focused meetings.¹⁰

Next, there should be an emphasis to facilitate team meetings that are conducted based on best practices that produce optimal gains for both teachers and students. ISOK should craft procedures for successful facilitation during team meetings where the principal is meeting with his/her staff. This can be accomplished with implementing expectations and attainable outcomes for each collaborative team meeting that is guided with a structured agenda. Although it should be consistent and structured, the agenda should be non-restrictive to the degree that it will allow for engagement of all participants. **Exhibit 2-6** provides a sample of a five phase PLC Agenda that can be used throughout a month if meetings are held virtually or f2f. For a full view of the document see **Appendix D – Resources**. The sample agenda could be adapted to fit into the virtual school model.

Exhibit 2-6
Sample PLC Agenda for Team Meetings

PLC Phases	Description of Phases
PHASE I: Creating or revising Pacing Calendars that reflect the state standards for core subjects	This should occur quarterly and should be revised based on quarterly assessment results (benchmarks of standards taught/and/or summative data). (Phases II – V are listed on the PLC Meeting Agenda Worksheet)
PHASE II: Select & Study the standards and objectives	<ol style="list-style-type: none"> 1. Review the pacing calendar. What objectives have been assigned for the upcoming week/month? 2. Read the item specifications of the objectives you are going to teach next week. 3. What depth of knowledge (DoK) will be used when teaching/assessing each objective? 4. What vocabulary will need to be addressed? 5. Using the Blue Prints, how many questions will be on the test that corresponds to each objective?
PHASE III: prepare to teach the standard/objective(s)	<p><u>Prompts for team discussions</u></p> <ol style="list-style-type: none"> 1. How to establish and relate the objective to the learners? What background knowledge will be needed? 2. In order to involve all learners, what methods will I use to explain/model the content and at what level (Depth of Knowledge -Webb) (Blooms – remembering, understanding, applying, analyzing, evaluating, and creating) will I present the content? What questioning techniques will I incorporate into the presentation? 3. What modeling actions should be considered when delivering the directions during the lesson sequence? How will I activate student’s prior background knowledge throughout the lesson? 4. During guided practice and independent practice I will incorporate literacy by using the following domains: Reading, Writing, Listening, and Speaking. 5. While monitoring students during the learning process, I will adjust the instructional environment by using the following differentiated approaches: independent study, small group, peer tutoring, other? 6. Evaluate the learning: What assessment(s) will be used? Review the released test items.

¹⁰ <http://www.schoolimprovementcoach.org/manual/7%20Norms%20and%20Roles.pdf>

PLC Phases	Description of Phases
PHASE IV: data analysis of formative assessment results	<ol style="list-style-type: none"> 1. Prior to the team PLC Curriculum Meeting complete this section: 2. Using the Monitoring Student Learning Graph review the objectives that were taught the previous week. On the table below record the following: What objectives did you teach? How many scored Proficient? Advanced? 3. List the students that scored in each category (Limited Knowledge/ Unsatisfactory) and select type of focus group – if applicable (SPED/ELL). Also record attendance data (ADA) for the previous week/month.
PHASE V: Response to Intervention (RtI)	<p>Processes for Interventions: This phase requires the specialist (Special Education teacher/ Reading Specialist/ or assigned tutor to be part of the discourse.</p> <ol style="list-style-type: none"> 1. Review the list of students scoring Limited Knowledge and Unsatisfactory on the above chart and determine if they can be moved forward using strategies within the classroom (Tier One). Those students needing more intervention should move into a Tier Two approach (Use Small Group Worksheet). Students who still struggle with the objectives after Tier Two approach then move forward to Tier Three (Use Individual Worksheet). Flex grouping should be at the center of the Tier two interventions. 2. Review the number of students remediated last 2 weeks and the grade they received after receiving remediation (both Tiers Worksheets). Review strategies to be used or have been used in remediation (see Worksheets). Are specific strategies working better than others? What may not be working as well? 3. Compare the students not mastering to their scores from last years' OCCT or previous district Benchmarks. What is their percentage of growth?

Source: OEQA- Toolkit (2015)

FISCAL IMPACT

This recommendation may be implemented with existing resources.

FINDING 2-4

ISOK is a small alternative virtual charter school serving 334 students during the 2016-17 school year. There are only 13 certified teachers on staff, which makes the task of creating effective content-based PLCs that meet the needs of all teachers quite challenging. Content-based PLCs may entail using a variety of assessments to gauge students' prior knowledge and changes in conceptual understanding for both planning of interventions and the evaluation of the effectiveness of the strategies implemented. Yet, when there are only 1-2 teachers within a content area there is a notion of isolation and a need for expanding the value of content-based PLCs: specifically within the context of an alternative virtual charter school.

Currently ISOK implements all PLCs using videoconferencing tools since teachers live in various locations in Oklahoma. The opportunity for teachers to collaborate with other instructors that teach in the same content area is limited. In a study by McConnell, et. al., (2012) this dilemma was examined:

A promising strategy for facilitating these collaborative efforts is the use of Internet resources. Ford et al. (2008) use the term virtual professional learning community (VPLC) to describe various media and software environments. These VPLCs have been implemented in many different forms, including bulletin board discussion groups, course management software, asynchronous textbased collaborations like wikis and blogs, videoconferencing software such as Skype (Duncan-Howell 2010), and even Twitter (Trinkle 2009). All of these examples have a similar goal: using technology to support

collaborative learning among participants separated by geographic or temporal barriers (p.3).¹¹

Of these tools, the most relevant to this finding is the use of videoconferencing tools for expanding content-based PLCs to others outside of ISOK.

RECOMMENDATION

ISOK administrators should enrich current content-based PLCs by implementing videoconferencing that includes teachers from similar schools such as other K¹² Insight Schools.

One of the school improvement goals of ISOK is to improve the delivery of the education program and performance through ongoing data analysis. Numerous strategies are listed to accomplish this goal. One such strategy is to research and implement Tier II interventions for students with significant learning gaps to increase student growth in both math and reading. Without a richer and expanded content-based PLC such strategies are challenging to implement. However, convening teachers from multiple districts/virtual alternative charters such challenges can be alleviated with the sharing of solutions and innovative strategies. Video-conferencing software offers a solution to these barriers while serving to foster the sense of community needed for PLCs to be effective.

ISOK administration should seek out opportunities to connect with other similar schools to form a learning community that is content-based to not only enrich current PLCs, but to meet the stated goal within the OSVCSB framework. In the research study (McConnell, et.al) six key benefits were noted as a result of creating a content-based PLC that included teachers from several different schools:

- Sharing articles or information found by others
- Group members giving new perspective on evidence.
- Hearing practical solutions others have tried
- Accountability to the group
- Focus on professional discourse
- Developing professional friendships

FISCAL IMPACT

This recommendation may be implemented with existing resources.

B. CURRICULUM

Oklahoma Administrative Code (OAC) 210:15 ...manages the instructional process to ensure academic success for all students. It is the responsibility of the virtual charter district to meet the requirements of the law as they apply. A district's instructional program, along with its allocation

¹¹ T.J. McConnell, J.M. Parker, J. Eberhardt, M.J. Koehler, & M.A. Lundeberg (2012). Virtual professional learning communities: teachers' perceptions of virtual versus face-to-face professional learning communities. Springer Science & Business Media. Online J Sci Educ Technology DOI 10.1007/s10956-012-9391-y

of resources, is the means by which a district attempts to meet the educational needs of all students. A well-designed and managed process for developing curriculum and directing instruction, collecting assessment data to evaluate and monitor programs, and providing the resources needed to support educational efforts are essential if a district is to meet the needs of its students.

Curriculum development and instructional delivery are critical components of student learning. The presentation of materials, concepts, skills, and new ideas greatly affect the acquisition of knowledge. Curriculum content and instructional strategies need proper alignment and regularly scheduled evaluations. This promotes improvement of student performance and ensures curricular relevance, rigor, and equity.

Oklahoma school boards and superintendents provide principals and teachers with necessary tools to deliver the state adopted standards. The Oklahoma Academic Standards (OAS) should guide the educational delivery. With the recent adoption of OAS, educators are encouraged to reshape their educational efforts by integrating rigorous instruction with the goal that such efforts will redefine what performing at a high level looks like and students are college and career ready.

OAS provides a consistent, clear articulation of learning expectations, guides teacher instruction, and assists parents in knowing what they need to do to help with the educational process. The academic state standards are intended to mirror the robust, relevant; real-world knowledge and skills students will need for successful transition into post-secondary institutions and/or careers. OAS defines the content, knowledge, and skills students should gain during their K-12 educational career. OAS prepares high school graduates for success in college courses and in workforce environments. **Exhibit 2-7** further explains what Oklahoma Academic Standards *do* and *don't do*.

Exhibit 2-7
Newly Adopted (2016) Oklahoma Academic Standards

What Oklahoma Academic Standards Do	What Oklahoma Academic Standards Do Not Do
<ul style="list-style-type: none"> • Do focus on deep thinking, conceptual understanding, and real-world problem solving skills • Do set expectations for students to be College, Career, and Citizenship ready • Do incorporate literacy in science, Social Studies, and Technical Subjects • Do emphasize the use of citations and examples from texts when creating opinions and arguments • Do increase rigor and grade-level expectations • Do determine the full range of support for English Language Learners and Students with Special needs 	<ul style="list-style-type: none"> • Do not dictate how teachers should teach • Do not mandate a specific curriculum • Do not limit advanced work beyond the standards • Do not require the purchase or development of entirely new instructional materials • Do not prescribe all that can or should be taught • Do not limit efforts to prepare students for college, career, or citizenship readiness • Do not prescribe interventions for students below grade-level

Source: SDE, Updated May 2016

FINDING 2-5

ISOK’s Parent survey responses (**Exhibit 2-8**) indicated that 93 percent *strongly agree* or *agree* that their students’ needs were met with the available curriculum with 6 percent having *no opinion* and only one percent in *disagreement*.

**Exhibit 2-8
 Parent Survey Responses Related to Curriculum**

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
My child’s teachers provide a curriculum that meets his/her learning needs.	47%	46%	6%	1%	0%

Source: OEQA - ISOK Survey Results (2016)

The curriculum currently used by ISOK for students is Fuel Education (formerly Aventa). Fuel Education operates as a separate legal entity owned by K12, and houses several different "personalized learning" platforms, as well as teacher professional development, consulting, and web-based courses. Fuel Education has six different specialty areas of focus including:

- Intervention & Remediation
- Credit Recovery & Dropout Prevention
- English Language Learners
- Summer School & Extended Learning
- Career Readiness Pathways
- World Languages

ISOK utilizes these options to increase their capacity for engaging and assisting students who have entered this alternative virtual school to either obtain credit recovery or take advantage of the extra support through intervention and remediation. a continual increase in students enrolling with credit deficiency this platform is certainly a needed option.

The block scheduling has been implemented, which ISOK personnel contribute to increased on-time student graduation rates. **Exhibit 2-9** provides an interesting look at the percentage of students entering ISOK with credit deficiencies and their graduation rates. It appears the percentage of students entering significantly credit deficient has decreased and that graduation percentage has modestly increased.

**Exhibit 2-9
Student with Credit Deficiencies and their Graduation Rates**

	Enrolled in 14-15	Enrolled in 15-16
Entering Credit Deficient	60%	59%
Entering Significantly Credit Deficient (3 or more credits behind)	51%	40%
Percent of Students that enrolled credit deficient during the year in which they were supposed to graduate and were able to catch up and graduate on time.	9%	20%
Percent Graduated that entered credit deficient and were able to graduate on time	Graduation Cohort	
	2015	2016
	13%	14%

Source: ISOK Data

COMMENDATION

ISOK is commended for providing students with individualized curriculum and scheduling to increase students' chances for on-time graduation.

FINDING 2-6

Although ISOK parents have a high level of satisfaction for the Fuel Education curriculum that is offered to the students, some stated they would like their students to have more diversity within the offered curriculum. **Exhibit 2-10** provides just a few comments from parents and students related to suggestions for improving ISOK's curriculum options.

**Exhibit 2-10
Parent Survey Comments Related to the Curriculum**

Parent Responses to: What suggestions would you like to offer to improve our virtual charter school? What do you like least about your child's virtual charter school?
So much time on the computer and not enough written work.
Testing, testing, testing
no textbooks
get textbooks for the kids that needs it
The lack of classes that would be practical for everyday living, or at least elective classes.
More diverse electives. Different foreign languages, web design, app development, graphic design, etc.
More reading in a book for English and not on the computer
maybe more electives to chose from.
Elective classes, at least one elective in each block.
Agriculture education (FFA)
Student Responses to: What suggestions would you like to offer to improve our virtual charter school? What do you like least about your child's virtual charter school?
I like textbooks. My eyes get bad after staring at the computer
The elective choices.
More foreign language options. I would rather learn French, Japanese, German, or anything other than Spanish. Also I want to design video games there should be more classes for this type of career choice.
class connect sessions seem below grade level sometimes

Student Responses continued
Offer different language classes, like German, French, Russian.
Coding and video game clubs for old kids like 9th- 10th graders
How some of the worksheets are set up, and laboratories.
That is doesn't offer more language classes.

Source: OEQA - ISOK Survey Results (2016)

K¹² Inc., which powers ISOK and Oklahoma Virtual Charter Academy (OVCA), also provides the curriculum for both schools. On ISOK's website the available curriculum is described as:

One Size Does Not Fit All - Multiple versions of courses are available in middle school and are even more varied in high school to help assure that each student is taught at the right level. There are even credit recovery courses available for students who need to catch up in a subject they've previously failed. Plus, Insight offers highly targeted remediation sessions to build specific skills. * **Note:** Not every feature described is available in every course. Please speak with an ISOK representative for more details.

When reviewing the Curriculum page on ISOK's website, it appears that the only curriculum available for students is the Credit Recovery courses in all of the core subjects, health, and physical education. In addition to the credit recovery curriculum (Fuel), a remedial program is provided and described as being developed through the student's Individualized Remediation Plan. The remedial program consists of a plethora of online modules of self-paced lessons and assessments, which are available for each student.

The Head of School indicated that one of the problems with diversifying the curriculum would be the need for adding multiple platforms. Accessing or logging onto other platforms outside of the K12 Portfolio, can be confusing for students and could increase frustration of a student who may already be at risk for dropping out of school.

Some courses from the K12 catalog are available for ISOK teachers to incorporate. However, it was noted that with the school's current D2L platform, teachers now have the capability to add/delete activities or lessons to meet the needs of the students without the students having to follow multiple links. This is helpful because it allows teachers to customize curriculum and avoids some of the issues students have in logging onto multiple platforms. One of the problems with incorporating a variety of curricular lessons, (possibly from the remediation program) into the curriculum is ensuring teacher capacity for this process. The Head of School stated that most returning ISOK teachers have at least a moderate level with this skill while some are at an expert level.

However, due to teacher attrition, new teachers are hired yearly who will not have such capacity for this skill on the first day of school. Although ISOK offers continuous onboarding for new teachers, which does include training in this area, students must wait until these teachers have been trained to implement incorporating additional curricular lessons to bolster student interest.

RECOMMENDATION

Require archival documents for each subject to increase new teacher capacity and timeliness for integrating curricular electives/lessons into the current D2L platform while simultaneously broadening the curricular scope to bolster student interest and success.

Although it was noted that some expert teachers provided archival information, this was not widespread. Each teacher should create archival documents that include links, lessons, activities, and instructions that enhance the curriculum they teach. Thus, once teachers leave, ISOK still has the archival documents to pass onto the new teacher to use while he/she creates and adds onto the collection. ISOK administration should also review the survey comments to adjust current curriculum offerings or ensure parents and students are aware if such requested curriculum is available, but not widely disseminated.

Educational software, such as what Fuel Education provides, can help students strengthen their basic foundational skills and increase fluency on the lower levels of Bloom's taxonomy on appropriate learning goals. However, students need to be able to engage in higher order thinking skills and demonstrate deeper learning to build their analytical, evaluation, synthesis skills in order to apply their learning to higher levels of Bloom's taxonomy (iNACOL, 2015)^[1]. It is important for students to get to the higher levels of Webb's Depth of Knowledge, but even more so for students who are having trouble in school. To ensure success, the focus should be on how to help students graduate with the skills to be successful in life.

FISCAL IMPACT

This recommendation may be implemented with existing resources.

FINDING 2-7

The purpose and mission of ISOK is to help struggling students to achieve success that they have not experienced previously. The fundamental approach for helping these students has mostly been through the credit recovery path and remediation support. When reviewing the teacher roster and the subjects taught, the electives are very limited. Despite such effort and individualized approach, students still withdraw from the program at significantly higher rates as compared to non-alternative brick-and-mortar schools and a few virtual charter schools. Alternative brick-and-mortar schools also experience high drop-out rates. Emerson Alternative High School had an 11.4 percent drop-out rate in 2016 while Seeworth Charter Academy experienced a 21 percent drop-out rate.

The intense credit recovery path to 'catch students up' may have too narrow of a focus with credit recovery becoming the *'tail that wags the dog'*. The block schedule, with a focus on the core subjects for those who are minimally credit deficient or not deficient as all, may produce boredom in students and a perception of irrelevancy. In other words, ensuring students are career and college ready should include more electives that are interesting, relevant, and translate

^[1] <http://www.inacol.org/> Promising practices in blended and online learning (page 4).

to real world occupations/careers. Less appealing curriculum with a repetitive instructional approach may contribute to a decrease in student participation and eventual withdrawal.

If students are not captivated with more enticing curriculum choices to accompany their journey to credit recovery then they eventually become disengaged and discouraged. **Exhibit 2-11** presents ISOK’s components for the credit recovery and remediation program approaches.

Exhibit 2-11
Credit Recovery Program and the Remediation Program Components

Credit Recovery Specialized Approach	Remediation Targeted Approach
Content being available for students to refer back to previous lessons	Assess: Pre-tests and adaptive assessments identify each student's strengths and deficiencies
Pre-recorded audio and pre-teaching of vocabulary to prepare students for content in each unit	Prescribe: A personalized plan for each student is generated to address skill gaps
Interactive content and tutorials to address hard-to-learn concepts	Instruct: Content is presented through a research-based model of carefully sequenced direct-instruction aids using study guides, quizzes, mastery tests, and essays where relevant
Assessments that provide practice before students take exams	Report: Sophisticated teacher and administrator tools help track and analyze all aspects of performance, in order to benchmark progress and refine curriculum plans
Individualized instruction from certified teachers	

Source: Adapted from the ISOK website¹²

RECOMMENDATION

ISOK should adopt an innovative approach that provides a broader curriculum selection that meets students’ interests while also accompanying a student’s credit recovery path.

When reviewing Insight School of Washington’s (ISOW, a peer virtual alternative school) website and the available curricular options for students, it is quite impressive with the broader curriculum selection for students. Though a much larger school than ISOK, **Appendix D** provides a synopsis of ISOW’s non-core curriculum choices as presented on its website.¹³

FISCAL IMPACT

This recommendation may be implemented with existing resources.

FINDING 2-8

ISOK provides teachers with scope and sequence documents to support vertical curriculum alignment in the core areas. With the transition to OAS, the district has ensured a smoother transition by providing this essential document. **Exhibit 2-12** presents staff survey responses

¹² <http://ok.insightschools.net/student-success-program/remediation-programs.html>

¹³ http://wa.insightschools.net/content/dam/schools/iswa/files/FY17_ISWA_Course_Catalog_v3_121216.pdf

related to vertical alignment. Responses indicated that 80 percent of staff survey participants *strongly agree* or *agree* the scope and sequence documents were provided for teachers.

Exhibit 2-12
Staff Survey Responses Regarding Curriculum Documents

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Teachers have scope and sequence documents that determine what is taught at each grade level.	28%	52%	17%	3%	0%

Source: OEQA - ISOK Survey Results (2016)

Vertical alignment, organizing curriculum from one grade level or content area to the next, is often challenging. Vertical alignment allows each teacher to build upon the work of the previous teacher without duplication or inconsistency of what has been taught. Proper vertical alignment requires digging into curriculum at all levels to align and layer skills, content, and background knowledge. The results of this vertical focus appear somewhat successful based on the parent survey responses. **Exhibit 2-13** illustrates that 70 percent of parents *strongly agree* or *agree* that their child is prepared for the next grade level with nine percent who *disagree*.

Exhibit 2-13
Parent Survey Response Related to Vertical Alignment and Student Preparation

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
My child is prepared for the next grade level in the next school year.	26%	44%	21%	9%	0%

Source: OEQA - ISOK Survey Results (2016)

Vertical alignment articulates the logical, consistent order for teaching the standards-based content in a subject area from one grade level or course to the next. Vertical alignment is conducted as a multistep process that requires substantial time and input from district staff. In a standards-based system, vertical alignment provides a structure by which to assess achievement results. When an aligned curriculum also is aligned with performance or benchmark assessments, educators can begin to examine differences in instruction across grades and subjects within the district.¹⁴

Vertical alignment is defined as “Ensuring that curriculum objectives are specific and build one upon another, that prerequisites are mastered, gaps are eliminated, and there is an increasing sophistication and rigor in concepts, processes, and skills across the grades.”¹⁵ A process for vertical alignment asks teachers to address the following issues as they pertain to reading:

- align *student expectations* across grades;

¹⁴ <http://www.centerforsri.org/files/CenterIssueBriefAug09.pdf>

¹⁵ Curriculum and Alignment - Arizona Department of Education <https://www.azed.gov/> p.12

- align *assessments* across grades;
- find and fill *gaps*;
- clarify and minimize *overlaps*;
- increase *expectations* with regard to rigor and sophistication year to year;
- build upon *prerequisite skills*; and
- build *common vocabulary*.¹⁶

COMMENDATION

ISOK provides and implements vertical curriculum alignment documents that ensure student preparation for the next grade level and/or college/career readiness.

FINDING 2-9

OEQA consultants reviewed ISOK's widely used pacing calendar documents. It was noted these documents, which were created by the principal and lead teacher, provided several instrumental elements that aligned instructional delivery and curriculum with OAS. The calendars focused on OAS and objectives by designing a schedule for *when* to teach those standards/objectives; and *how* to teach those standards using the suggested Depth of Knowledge levels and the item specifications. The documents were fluid so teachers are able to tweak the documents throughout the year based on assessment results.

Pacing Calendars provide teachers with a guide on knowing what OAS to teach and when to teach those standards for each grade level in all core content areas. Sometimes it is referred to as a curriculum map, schedule, instructional calendar, or road map. It is specific to a particular content area and level (e.g., 5th grade English Language Arts) and details when particular content standards should be taught and/or assessed during the year. While still offering teachers flexibility on how to teach, its integration with common assessments is crucial to judging student progress. An example of ISOK's seventh grade math pacing calendar is provided in **Exhibit 2-14**.

¹⁶ Curriculum and Alignment - Arizona Department of Education <https://www.azed.gov/> p.12

Exhibit 2-14
ISOK’s Grade 7 Math Instructional Map

Day	Date	Course Name	Standard	Blue Print %/#?	Item Spec
		<i>[The Platform PLAN, Reading pages # + Activities + Due Assignments]</i>			
1	8/16/2016	First Day MS Semester A Orientation			
2	8/17/2016	Rational Numbers - Integers	2.1.a Compare and order positive and negative rational numbers	5%	DOK 1; Process standard 7M1.4 least to greatest integers DOK 2; Process standard 7M5.1 least to greatest fractions DOK 2; Process standard 7M5.1 convert between fractions, decimals, and percents then order
3	8/18/2016	Rational Numbers - Integers			
4	8/19/2016	Rational Numbers - Fractions, Decimals, Percents			
5	8/22/2016	Review - Rational Numbers			
6	8/23/2016	Rational Numbers - Fractions, Decimals, Percents			
7	8/24/2016	Rational Numbers - Quiz/Test			
8	8/25/2016	Squaring numbers			

ISOK – Pacing Calendar Archives (2016)

Exhibit 2-15 reveals that 73 percent of staff survey respondents *strongly agree* or *agree* that they have access to pacing calendars with seven percent who *disagree*. As indicated on the pacing calendar above, teachers are privy to the state’s OAS documents with standards, blueprints and item specifications with 90 percent who strongly agree or agree that they are aware of these documents.

Exhibit 2-15
Staff Survey Response Related to Pacing Calendars & OAS Resources

Survey Statement	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Teachers know what is to be taught and when because they have access to a district adopted Pacing Calendar that reflects the current Oklahoma Academic Standards	35%	38%	21%	7%	0%
Teachers understand the Oklahoma Academic Standards/ objectives, test blueprints, and Item Specifications that are provided by the state department of education.	30%	60%	10%	0%	0%

Source: OEQA - ISOK Survey Results (2016)

COMMENDATION

ISOK successfully transitioned into the new OAS by updating all scope and sequence documents and grade level/content specific pacing calendars reflecting standards taught quarterly; while ensuring all staff members were thoroughly acquainted with these documents.

C. INSTRUCTIONAL DELIVERY

The educational challenges facing schools today are multifaceted and even more so in virtual school environments. Determining the most effective ways to address all the issues that impact student achievement is complex. Education research is replete in focusing on one element – *instruction*. However, that body of research does not always extend to the online environment.

*Virtual schools are rising in popularity and presence. Unfortunately, there is a relative dearth of research related to teaching and learning in virtual schools. Although there are numerous handbooks addressing teaching online, there is little research on successful online teaching in the K-12 arena. Much of the existing research focused on teaching online is rooted in face-to-face content, not focused on content areas, built upon a post-secondary audience, or fails to use data from the teachers themselves to triangulate findings.*¹⁷

Notwithstanding, research indicates that instructional delivery matters significantly. The literature clearly outlines common principles and foundational teaching practices that are necessary to improve student performance. These practices cut across all content areas and grade levels. This section will focus on instructional leadership, instructional delivery in an online environment, evaluation of the instructional delivery program, instructional technology and instruction through adopted assessments.

Instructional Leadership

School administrators must have pragmatic knowledge, skills, strategies, and tools to positively affect student achievement. They must move their instructional leadership skill set past abstract and theoretical thinking to concrete, day-to-day practices to be effective leaders. Instructional leaders understand the need for multi-faceted strategies that enable them to know when, how, and why leadership action must be taken.

Superintendents/Head of Schools and principals form the core of educational leadership in school districts whether those schools are of brick and mortar or within a virtual environment. Over the past two decades, the role of the school leader has changed and so the expectations and training of new administrators. Today, the educational leader is responsible for consistency of implementation of an aligned curriculum, the quality of instruction, and student performance. Recent research contends that school leaders influence classroom teaching, and consequently student learning, by staffing schools with highly effective teachers and supporting those teachers with effective teaching and learning environments.¹⁸

The College of Education at Washington University, Center for Educational Leadership (CEL), has developed a framework for instructional leadership. According to their website, the framework is not the sum total of the work of instructional leaders. It is a description of the most important aspects of instructional leadership. **Exhibit 2-16a** describes the five core beliefs that drive the work in school leadership at the Center for Educational Leadership, and **Exhibit 2-16b** describes the four dimensions of instructional leadership.

Exhibit 2-16a Core Beliefs – Center for Educational Leadership

¹⁷ Best practices in teaching K-12 online: Lessons learned from Michigan Virtual School teachers
<http://www.ncolr.org/jiol/issues/pdf/7.1.2.pdf>

¹⁸ http://cepa.stanford.edu/sites/default/files/Kappan_leadership.pdf.

Beliefs	
Instructional leadership is learning-focused, learning for both students and adults, and learning which is measured by improvement in instruction and in the quality of student learning.	
Instructional leadership must reside with a team of leaders of which the principal serves as the “leader of leaders.”	
A culture of public practice and reflective practice is essential for effective instructional leadership and the improvement of instructional practice.	
Instructional leadership addresses the cultural, linguistic, socioeconomic, and learning diversity in the school community.	
Instructional leadership focuses upon the effective management of resources and of people – recruiting, hiring, developing, evaluating – particularly in changing environments.	

*Source: 4 Dimensions of Instructional Leadership*¹⁹

Exhibit 2-16b Dimensions of Instructional Leadership

Dimensions	
Vision, Mission, and Culture Building	School leaders, committed to collective leadership, create a reflective, equity-driven, achievement-based culture of learning focused upon academic success for every student.
Improvement of Instructional Practice	Based upon a shared vision of effective teaching and learning, school leaders establish a focus on learning; nurture a culture of continuous improvement, innovation, and public practice; and monitor, evaluate and develop teacher performance to improve instruction.
Allocation of Resources	School leaders allocate resources strategically so that instructional practice and student learning continue to improve.
Management of People and Processes	School leaders engage in strategic personnel management and develop working environments in which teachers have full access to supports that help improve instruction.

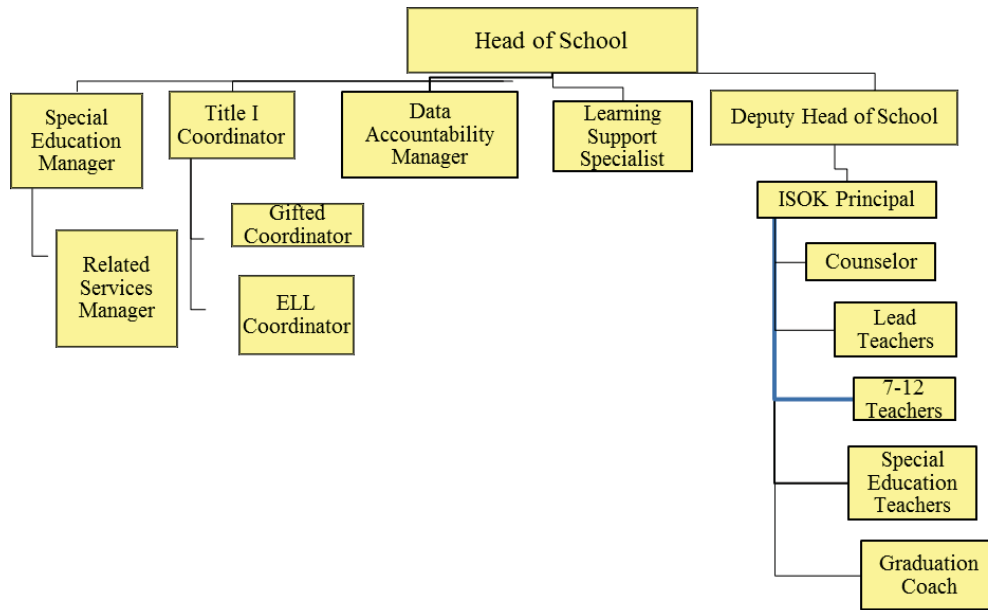
*Source: 4 Dimensions of Instructional Leadership*²⁰

Exhibit 2-17 provides the onsite visit snapshot of ISOK’s organizational chart as it relates to the leadership for instructional delivery. The first tier includes the Head of School; the second tier is the Deputy Head of School and other central office administrators that are directly connected to instructional delivery. The third tier comprises the ISOK Principal; the last tier consists of lead teachers/department chairs, and teachers.

¹⁹ <http://info.k-12leadership.org/4-dimensions-of-instructional-leadership>

²⁰ <http://info.k-12leadership.org/4-dimensions-of-instructional-leadership>

Exhibit 2-17
ISOK Instructional Organization Chart



Created by OEQA - 2017

FINDING 2-10

ISOK’s instructional delivery system is supported by three levels of leadership that are directly responsible for student outcomes. Survey results as well as interviews and focus group comments indicate a high level of satisfaction with the instructional leadership at ISOK.

Exhibit 2-18 provides staff survey results related to the perception of the district administration and principal as instructional leaders. Eighty-nine percent of survey respondents *strongly agree* or *agree* that district administration provides a continuous instructional improvement process. Also, 83 percent of survey participants *strongly agree* or *agree* that their principal was an effective instructional leader with 14 percent having *no opinion* and four percent who *disagree*. Staff also believes that their leaders hold themselves accountable for student learning with 77 percent who *strongly agree* or *agree* and *only three percent who disagree*.

Exhibit 2-18
Staff Survey Results Related to Instructional Leadership

Staff Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Our virtual charter academy’s has a continuous improvement process based on data, goals, actions, and measures for growth.	41%	48%	7%	3%	0%
My Principal is an effective instructional leader	54%	29%	14%	4%	0%
Our virtual charter academy’s leaders hold themselves accountable for student learning.	37%	40%	20%	3%	0%

Source: OEQA- ISOK Survey Results (2016)

COMMENDATION

ISOK is provides effective instructional leaders to guide the district’s ongoing commitment toward student success and school improvement.

Instructional Delivery in an Online Environment

The effectiveness of instructional delivery whether it is in a face-to-face forum or in a virtual setting is considered as having the most impact on a student’s success in content mastery. Tucker and Strange (2005) linked the evaluation of teacher effectiveness with student achievement. It is now known, empirically, that effective teachers have a direct influence in enhancing student learning. Years of research on teacher quality support the fact that effective teachers not only make students feel good about school and learning (regardless of setting), but also that their work actually results in increased student achievement. Studies have substantiated that a whole range of personal and professional qualities are associated with higher levels of student achievement. For example, such skills are verbal ability, content knowledge; pedagogical knowledge, ability to use a range of teaching strategies skillfully, and enthusiasm for the subject characterize more successful teachers.²¹

How does this research translate to virtual instructional practices? K-12 virtual schooling is still developing as a field of research, policy, and practice. One specific area with limited research is a deep understanding of promising instructional practices used by K-12 virtual school teachers. An understanding of the instructional practices of K-12 virtual school teachers is vital to the field of online education. Promising instructional practices are critical in any learning environment but are exponentially important in an alternative virtual school such as ISOK.

“Nearly one third of all public high school students—and nearly one half of all African Americans, Hispanics and Native Americans—fail to graduate from public high school with their class. Of those who do graduate, only half have the skills they need to succeed in college or

²¹ <http://www.ascd.org/publications/books/104136/chapters/The-Power-of-an-Effective-Teacher-and-Why-We-Should-Assess-It.aspx>

work.”²² Alternative virtual schools also serve other students at risk for other possible factors such as:

- Low socio-economic status;
- From a single parent family;
- The student had changed schools two or more times;
- Had average grades of “C” or lower from sixth to eighth grade; or
- Repeated a grade.²³

Additionally, some students are disengaged with learning. They no longer see the point of going to school. They have no authentic connections or primary relationships within their learning environment. These students show signs of being at-risk through indicators such as: lateness to school, cutting or skipping class, school absence, and they no longer feel that school subjects are interesting or challenging.²⁴

A recent study found that two of the greatest challenges for online teachers at Wisconsin Virtual School—a state-level online learning program for middle and high school students—were keeping students engaged throughout the course and getting students to complete the course.²⁵ OEQA consultants reviewed the available research literature to explore some instructional practices that have shown to be promising for K-12 online instruction and/or blended instruction. **Exhibit 2-19** provides a synthesis of the research related to promising practices found to be critical for successful online learning programs.

Exhibit 2-19 A Synthesis of Promising Instructional Practices for Online Learning

Practice	Description of Practice	Supporting References
Connecting with Students -through effective communication	Commitment participants made to establishing relationships with students because of their perceived impact on student motivation and success.	DiPietro (2010);
Fluid practice - moving from their self-perception as a “knowledge giver” to one of a “knowledge guide”	The transition experienced by participants to facilitate the translation of their prior practices to better suit the necessities of teaching in the virtual course setting.	DiPietro;
Engaging Students with Content Getting students excited about content; Integrating technology to motivate students; Motivate students to interact with content; Motivating students	The use of strategies to satisfy specific goals for making content accessible and integrating technology represent enactments of the belief virtual school teachers have about engaging students with the content. It also means relearning the standards in engaging and	DiPietro; Pazzaglia, Clements, Lavigne, Stafford,

²² Yazzie-Mintz, E. (2009). *Charting the Path from Engagement to Achievement: A Report on the 2009 High School Survey of Student Engagement*. Retrieved from http://ceep.indiana.edu/hssse/images/HSSSE_2010_Report.pdf

²³ Chen, X. & Kaufman, P. (1997). Risk and resilience: The effects of dropping out of school, quoted in Broadening the definition of at-risk students, by Stephanie Bulger and Debraha Watson, *The Community College Enterprise* (2006). Retrieved from <http://www.schoolcraft.edu/pdfs/cce/12.2.23-32.pdf>.

²⁴ Dalton, B., Glennie, E., and Ingels, S.J. (2009). *Late High School Dropouts: Characteristics, Experiences, and Changes Across Cohorts (NCES 2009-307)*. National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. Washington, D.C.

²⁵ Pazzaglia, A. M., Clements, M., Lavigne, H. J., & Stafford, E. T. (2016). *An analysis of student engagement patterns and online course outcomes in Wisconsin (REL 2016–147)*, Washington, DC: U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Regional Educational Laboratory Midwest.

Practice	Description of Practice	Supporting References
through the structure of content; Using technology to facilitate learning; Using technology to illustrate content	interesting formats with lots of visuals and graphics to help students learn.	(2016) Washburn, J., (2004).
Supporting Student Success – Meeting student needs; structuring content to scaffold learning; utilize support structures	Communicating with students to address needs; Encouraging and helping students establish a routine; Giving feedback; Helping students achieve their goals; Using directive communication; Adapting course to accommodate pacing; Creating an organized environments;	DiPietro; Hanover Research, 2009
Implementing Instruction based on Data - this instructional strategy engages teachers in regularly analyzing quantifiable data from student assessments and other metrics. Based on their analyses, teachers modify instruction with the goal of improving student academic achievement.	Instruction based on data is made easier within the virtual environment due to the automated student information system that includes not only state test results but also benchmarking and formative common assessments.	Paul Bambrick-Santoyo’s Driven by Data: A Practical Guide to Improve Instruction
Use of multiple strategies for assessing student learning –	Assessment strategies should involve consideration of student learning styles; this also includes allowing students the opportunity to demonstrate their knowledge in ways that are personally meaningful.	DiPietro, Ferdig, Black, & Preston (2008)
Form collaborative relationship with parents of students - researchers have stressed the importance of schools creating policies that help parents to better understand and respond to student needs	“Parents and instructors are more likely to effectively and efficiently collaborate once a sense of closeness has been formed and parents and instructors have established a degree of social presence” (p. 21). As a result, online programs should use more varied and continuous strategies to ensure parental engagement.	Borup et al. (2014)

Source: OEQA Adaptation of DiPietro, et al., *Synthesis of Promising Instructional Practices for Online Learning* (2016)

FINDING 2-11

ISOK staff and parent survey responses reflect satisfaction with teachers’ instructional delivery competencies in a synchronous and asynchronous environment. Many of the instructional delivery practices that were found to be promising or best practices for online learning (see Exhibit 2-19) seemed to also be commonly used by ISOK staff. **Exhibit 2-20** displays staff responses and parent responses related to successful instructional delivery practices that are used by ISOK staff. In all three survey questions, Staff *strongly agrees* or *agrees* (77 percent) that their instructional delivery strategies met student needs, encouraged critical thinking, and provided timely feedback. Parents likewise *strongly agree* or *agree* (79 percent) that teachers employed successful instructional delivery strategies including feedback to students and parents.

Exhibit 2-20
ISOK Staff & Parent Responses Related to Instructional Delivery

Staff Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Teachers develop and implement instructional strategies and interventions to address individual learning needs of students.	33%	50%	13%	3%	0%
Teachers consistently use instructional strategies that require self-reflection and development of critical thinking skills.	17%	60%	20%	3%	0%
Teachers provide students with specific and timely feedback about their learning.	17%	53%	23%	7%	0%
Parent Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
My child's teachers use a variety of teaching strategies and learning activities.	41%	47%	4%	7%	0%
My child's teachers meet his/her learning needs by individualizing instruction.	41%	40%	13%	6%	0%
My child's teachers help me to understand my child's progress.	37%	38%	21%	4%	0%
My child's teachers keep me informed regularly of my child's academic progress.	32%	33%	25%	9%	1%
My child knows the expectations for learning in all subjects.	46%	43%	10%	1%	0%
My child's teachers report on my child's progress in easy to understand language.	35%	42%	19%	4%	0%

Source: OEQA- ISOK Survey Results (2016)

COMMENDATION

ISOK staff is commended for employing several promising instructional delivery strategies in an online learning environment.

FINDING 2-12

The online instructional delivery by ISOK teaching staff is conducted in either a synchronous or asynchronous environment. The staff reported that they use synchronous approach the most in order to ensure student engagement and interaction. **Exhibit 2-21a** provides staff survey responses and **Exhibit 21b** provides student responses regarding their experiences in instructional delivery platforms and formats. Seventy-four percent of staff reported using the synchronous format *very much*. Synchronous format was used more than the other two approaches with 33 percent of survey respondents using asynchronous *very much* and 0 percent using face-to-face delivery *very much*. Student survey respondents reported that their teachers use synchronous format *very much* (63 percent) with 16 percent reporting that asynchronous was used *very much*. Only six percent of student respondents reported that their teachers used face-to-face format *very much*. According to ISOK administration, there is no instructional delivery that is face-to-face; however some teachers use web cams which may be confusing when referring to face-to-face instructional delivery.

Exhibit 2-21a
Staff Survey Responses Related to Online Learning Formats

Which (if not all) e-learning formats do you use and to what degree do you use them?				
Format	Not at all	Very little	Some	Very much
Face-to-Face	14%	62%	24%	0%
Synchronous (specific time each school day)	3%	3%	19%	74%
Asynchronous (anytime/any day)	10%	10%	47%	33%

Source: OEQA- ISOK Survey Results (2016)

Exhibit 2-21b
Student Survey Responses Related to Online Learning Formats

Which e-learning formats do most of your teacher(s) use and to what degree does he/she use them for instruction?	Not at all	Very Little	Some	Very Much
Face-to-Face	44%	26%	24%	6%
Synchronous (at a specific time each day)	4%	13%	21%	63%
Asynchronous (anytime during the day)	17%	25%	42%	16%

Source: OEQA- ISOK Survey Results (2016)

COMMENDATION

ISOK teaching staff is commended for their efforts to increase student engagement and interaction through the use of synchronous e-learning format of instructional delivery.

FINDING 2-13

Although for the most part ISOK teachers implement promising online instructional practices, there were a few areas that were of concern. The student survey results indicate a strong desire for more interactions with teachers and other students with increased opportunities for student engagement. **Exhibit 2-22** provides a sample of student and parent comments related to this issue of more student-to-student and student-to-teacher interactions that would increase student engagement.

Exhibit 2-22 **Sample of Student and Parent Comments Related to Student-to-Student and Student-to-Teacher Interaction Engagement**

Sample of Student Comments Related to Student-to-Student and Student-to-Teacher Interactions & Engagement
being able to help other and do projects.
Have the teachers offer more grouping and more efforts to get us all to talk and discuss the subject...
explain things better
One or two projects/assignments with a group of students so we/they can learn how to get along with people even if they have different points of view
I don't like how little social interaction there is. We only have the outings to actually talk to other students without having to focus primarily on one subject.
that a lot of the teachers aren't really contacting me very often
The classes should be smaller because sometimes the teachers don't really look at the chat box or private chat and never answer my questions
Sample of Parent Comments Related to Student-to-Student and Student-to-Teacher Interactions & Engagement
Socialization with peers.
I feel he is missing a social education.
That she doesn't get the interaction with her peers
Less social interaction
Better personal communication between teachers and students.
I think having a study group a few times a month where the kids had to meet at a library to work on a project such as a paper or research for a science fair type thing would benefit the kids like my daughter or once a month a study group that is required, so the kids are getting with kids that are their age
There aren't enough outings where all the kids can get together.
try to get the kids together more often.

Source: OEQA- ISOK Survey Results (2016)

Although ISOK teaching staff understands the importance of engaging students and the desire to increase student engagement through the use of synchronous e-learning format, research indicates that student achievement outcomes increase when there are elements of the blended learning model included in the e-learning environment. Blended learning has been defined by Innosight Institute as “a formal education program in which a student learns at least in part through online delivery of content and instruction with some element of student control over time, place, path or pace.”²⁶ This can be accomplished with strengthening the two major e-learning formats utilized by ISOK.

²⁶ http://www.innosightinstitute.org/innosight/wp-content/uploads/2012/05/Classifying-K-12-blended-learning2.pdf?utm_campaign=elearningindustry.com&utm_source=%2Fwhy-blended-learning-is-better&utm_medium=link

It should be noted the current OAC limits the time virtual charter school teachers can have face-to-face interaction with their students. OAC 777:10-5-3 states, "... No statewide virtual charter school or employee of the statewide virtual charter school shall provide face-to-face instruction to any charter school student unless... The instruction is limited to no more than nine (9) hours per week of instruction per student." With this restriction, it is best to strengthen the online learning formats. With ISOK's model of using only synchronous or asynchronous formats for instructional delivery, successful components of a face-to-face delivery should be simulated.

The U.S. Department of Education conducted a systematic search of the research literature from 1996 through July 2008 and identified more than a thousand empirical studies of online learning. Of those studies, a meta-analysis of 50 study effects, found that,

Instruction *combining online and face-to-face elements* had a larger advantage relative to purely face-to-face instruction than did purely online instruction. The mean effect size in studies comparing blended with face-to-face instruction was +0.35, $p < .001$. This effect size is larger than that for studies comparing purely online and purely face-to-face conditions, which had an average effect size of +0.05, $p = .46$. In fact, the learning outcomes for students in purely online conditions and those for students in purely face-to-face conditions were statistically equivalent. An important issue to keep in mind in reviewing these findings is that many studies did not attempt to equate (a) all the curriculum materials, (b) aspects of pedagogy and (c) learning time in the treatment and control conditions. Indeed, some authors asserted that it would be impossible to have done so. Hence, the observed advantage for blended learning conditions is not necessarily rooted in the media used per se and may reflect differences in content, pedagogy and learning time.²⁷

RECOMMENDATION

ISOK should consider the inclusion of interactive *elements* found in a blended learning format that would increase student engagement and student/teacher interactions to improve academic achievement outcomes.

In **Exhibit 2-23** a comparative matrix is presented, via the Ontario Ministry of Education²⁸, which demonstrates elements found in blended learning formats. Blended learning has the most to offer students in terms of communication between teacher and students, collaboration, and demonstration of learning.

²⁷ This report is available on the Department's Web site at www.ed.gov/about/offices/list/oeped/ppss/reports.html.

²⁸ Defining blended learning – Ontario Ministry of Education <http://www.edu.gov.on.ca/elearning/blend.html>

Exhibit 2-23
Comparing Blended Learning Elements to Other Forms of Learning

STRATEGIES, TOOLS AND RESOURCES			
Goal	Classroom Learning	Blended Learning	E-Learning
Communication between teacher and students	<ul style="list-style-type: none"> • Full group lessons • Small group lessons or tutorials • Individual conferences • Marked assignments and rubrics 	<ul style="list-style-type: none"> • Full group lessons • Small group lessons or tutorials • Individual conferences • Marked assignments and rubrics • Digital course materials • Online discussions • E-mail • Instant messages • News announcements • Online calendar • Dropboxes • Online grade tool • Rubrics 	<ul style="list-style-type: none"> • Digital course materials • Online discussions • E-mail • Instant messages • News announcements • Online calendar • Dropboxes • Online grade tool • Rubrics • Web conferences • Small group* lessons/tutorials (ISOK) • Digital course materials*
Collaboration among students	<ul style="list-style-type: none"> • Learning centers or other room arrangements • Class discussions • Face-to-face group work 	<ul style="list-style-type: none"> • Learning centers or other room arrangements • Class discussions • Face-to-face group work • Online group work • Online discussions • E-mail • Instant messages • Blogs • Electronic portfolios 	<ul style="list-style-type: none"> • Online group work • Online discussions • Chat sessions • E-mail • Instant messages • Blogs • Electronic portfolios • Web conferences
Demonstration of learning	<ul style="list-style-type: none"> • Paper-and-pencil tests and assignments submitted in person • Live presentations, labs, performances, or exhibits of skill • Models, works of art, posters, and other physical artifacts submitted in person 	<ul style="list-style-type: none"> • Paper-and-pencil tests and assignments submitted in person • Live presentations, labs, performances, or exhibits of skill • Models, works of art, posters, and other physical artifacts submitted in person • Blogs • Electronic portfolios • Online discussions • Online surveys and quizzes • Assignments, such as essays, worksheets, slide shows, photographs, and videos submitted to electronic dropboxes 	<ul style="list-style-type: none"> • Blogs • Electronic portfolios • Online discussions • Online surveys and quizzes • Assignments, such as essays, worksheets, slide shows, photographs, and videos submitted to electronic dropboxes • Web conferences

*Unique to ISOK E-Learning Industry

ISOK should review the student survey results (OEQA, 2016) to determine what activities/strategies engage the students that *may not* be currently present in the instructional delivery system of ISOK. With that same intent, also review activities/strategies which *are* present and occurring that the students found interactive as well as engaging and ensure these successful strategies are communicated to all staff. Enhancing the online synchronous format to

include elements that exist in a blended learning environment (face-to-face elements) could certainly motivate students to attend their online synchronous courses.

A study (Delialioglu, 2012) was conducted to investigate how blending of different instructional approaches with technology affects students' engagement. A computer networks course was designed and implemented for the first eight weeks of the semester as a lecture-based blended learning environment and for the second eight weeks of the semester as a problem-based blended learning environment. A single group repeated measures research design was carried out to understand if there were significant differences in measures of student engagement between these two blended learning approaches. Repeated analysis on the data collected from 89 students revealed that Active Learning and Total Time on Task indicators of student engagement were significantly higher in the problem-based part of the course.²⁹

Many elements found in the blended learning model found in **Exhibit 2-23** above, exists to some degree within the ISOK instructional delivery model, but, as per survey comments, may not be specifically implemented with fidelity by all teaching staff. The elements found in the blended learning environments ensure student engagement, teacher/student interactions, and student motivation is strengthened. Video, audio and visually enhanced presentations are included in a blended learning course design to help keep learners engaged and, also, to make sure that all material is easily understood – something that is not always the case in the fast-paced environment of a physical classroom.³⁰ During teacher evaluations, student engagement should be a top priority.

An option that ISOK may want to consider is piloting online elements of an Enriched-Virtual Model of blended learning. This model is a whole-school experience in which within each course (e.g., math), students divide their time between attending a brick-and-mortar campus (minimal) and learning remotely using online delivery of content and instruction (majority of time). Many Enriched-Virtual programs began as full-time online schools and then developed blended programs to provide students with brick-and-mortar school experiences. A pilot for this model could be adapted to meet the mission and focus of ISOK. The pilot may only involve one course that may be most challenging for secondary students such as algebra I or biology. The 'brick-and-mortar' campus may even occur online in a Skype context where students would use their computer cameras to have that feel of being in the presence of their teacher and peers. Based on students' concerns, this may help create a more connected learning environment where students feel that they are part of a learning cohort.

FISCAL IMPACT

This recommendation may be implemented with existing resources.

²⁹ O. Delialioglu, (2012). Student engagement in blended learning environments with lecture-based and problem-based instructional approaches. *Educational Technology & Society*, v15 n3 p310-322. <https://eric.ed.gov/?id=EJ992563>

³⁰ using different and more interactive material (like presentations that are not just pages filled with bullet-points)

Evaluation of the Instructional Delivery Program

The instructional delivery program typically includes three cyclic stages, which involve planning, implementation, and evaluation. Most schools when enacting the third stage use only the measurement of student performance outcomes on mandated assessments. However, when conducting an evaluation of the instructional delivery program there should be a consideration of multiple measurements that are specific to all aspects of the program (Rossi, Lipsey, & Freeman, 2004). Measurements should focus on key indicators within the program such as:

- Its purpose: what the program is intended to achieve.
- Its inputs: the resources invested and activities carried out to achieve the goals.
- Its logic: the way the program is expected to achieve its goals.
- Its outputs: the program's activities/products, participants, and organization models.
- Its outcomes: the program's short-, intermediate-, and long-term impacts.
- The external factors that affect the program's ability to achieve its goals.³¹

For purposes of this performance review of ISOK's instructional delivery program, Blitz and Schulman's (2016) logic model is used to examine the schools' inputs, outputs, and outcomes of the instructional delivery program. The examination begins with this guided question, "Do these elements align to the school's central purposes for an online learning program?" The two elements observed (outputs and outcomes) are presented and defined below:

- ISOK Outputs – the specific emphasis the school places on certain activities to promote strong student outcomes such as collaborative opportunities for students
- Outcomes – the short-, intermediate-, and long-term impacts of ISOK's instructional delivery program that are measured through attitudes and beliefs, behaviors/practices, or performance indicators.

For purposes of evaluating ISOK's instructional delivery program, an excerpt from the student survey was organized as a potential evaluation tool for measuring the outputs and outcomes. This survey tool presents a few of ISOK activities as *outputs*, and students' perspectives on how well ISOK instructional delivery program has contributed to their development as *outcomes*.

FINDING 2-14

When using student survey results (top portion of **Exhibit 2-24**) as a measurement tool for evaluating a school's areas of emphasis within the domain of instructional delivery, 82 percent of students perceived *some* or *very much* that those four areas were emphasized by ISOK.

Exhibit 2-24 (bottom portion) provides eight instructional delivery outcomes that may or may not contribute to students' overall development. Eighty-four percent of students indicated that these eight outcomes had contributed some or very much to their development. Working well with others to complete a task or project was the outcome with the lowest percentage (67 percent) of students perceiving that this component contributed *some* or *very much* to their

³¹ Retrieved from <http://ies.ed.gov/ncee/edlabs/projects/project.asp?projectID=444>

development. Two outcomes resulting from ISOK’s output tied for highest percentage (93 percent) of students perceiving as contributing to their development: reading and understanding challenging materials and using technology to gather and communicate information.

**Exhibit 2-24
Sample for a ISOK Program Evaluation Measurement Tool**

ISOK OUTPUTS					
How much does your school emphasize each of the following?	Not at all	Very Little	Some	Very Much	Total Emphasis
Spending time preparing for standardized tests	4%	3%	44%	48%	92%
Participating in school events and activities (athletics, plays, academic competitions)	13%	21%	40%	26%	66%
Using technology tools (e.g., Google apps for education, virtual field trips, etc.) for class work.	3%	15%	54%	28%	82%
Furthering education or training beyond high school	3%	11%	40%	46%	86%
STUDENT OUTCOMES					
How much has your experience at this school contributed to your development in the following areas?	Not at all	Very Little	Some	Very Much	Total of school experiences contributing to student development
Acquiring skills for a job after completing high school.	4%	15%	43%	37%	80%
Writing effectively	2%	17%	47%	34%	81%
Thinking critically (reasoning, asking “Why”)	1%	9%	50%	39%	89%
Developing creative ideas and solutions	3%	11%	49%	37%	86%
Reading and understanding challenging materials	1%	7%	57%	36%	93%
Using technology to gather and communicate information.	0%	8%	42%	51%	93%
Working well with others to complete a task or project.	7%	26%	41%	26%	67%
Developing career goals	2%	14%	37%	47%	84%

Source: OEQA- ISOK Survey Results (2016)

COMMENDATION

ISOK is commended for an instructional delivery program that a majority of student survey participants perceive as contributing to their development on eight outcomes.

Although the sample measurement tool devised for the purposes of this review is simple and limited in providing a good picture of ISOK’s outputs, it does provide a working model that can and should be built upon for future program evaluation. It is recommended that ISOK build upon this evaluation approach for determining the effectiveness of their instructional program delivery by creating a parent and staff instrument with the intentional purpose of program evaluation.

FINDING 2-15

ISOK is intentional and strategic in evaluating their programs and processes by administering multiple surveys or pulse checks throughout the year. The results of the surveys are reviewed and analyzed by the administrative team to determine what actions may need to be implemented or programs that should be dismissed. In addition to the surveys, there is a rubric that accompanies the academic plan. The rubric guides administration with program evaluation. The rubric is used at the end of each quarter to determine how well the academic plan (school improvement plan) is coming along. At the end of the year the academic plan is reviewed and a process is in place to ensure that it aligns with the school's improvement goals.

COMMENDATION

ISOK implements a consistent process for program evaluation to determine strengths and weaknesses and that all programs and processes are aligned with school improvement goals.

Instructional Technology

Technology is a tool that can change the nature of learning. Integrating technology into instruction means more than teaching basic computer skills and software programs in any educational setting. Effective technology integration must happen across the curriculum in ways that research shows deepen and enhance the learning process. In particular, it must support four key components of learning: active engagement, participation in groups, frequent interaction and feedback, and connection to real-world experts.

Technology can change the way teachers teach, offering online educators effective ways to reach different types of learners and assess student understanding through multiple means. It also enhances the relationship between teacher and student. When technology is effectively integrated into subject areas, teachers grow into roles of adviser, content expert, and coach. Effective technology integration is achieved when the use of technology is routine and transparent and when technology supports curricular goals.

FINDING 2-16

As per the student survey, a majority of ISOK students expressed interest for using technology tools such as personal devices and apps for completing assignments and engagement in class work. ISOK has met that interest by emphasizing the use of technology tools in class work. More importantly, students feel that ISOK has contributed to their development in the use of technology.

Exhibit 2-25 provides information about ISOK students' interest in using various technology tools in completing assignments or the use of those tools during the instructional delivery process. Students' interest in using technology tools in assignments was higher with an average of 70 percent having *some* or *very much* interest. Also, 82 percent of students responded that their school emphasizes the use of technology tools for class work *some* or *very much*. Students acknowledged (93 percent) that ISOK has *some* or *very much* contributed to their development in using technology to gather and communicate information.

Exhibit 2-25
Student Survey Responses Related to Interests in Use of Technology Tools

How much do each of the following activities and assignments interest or engage you?	Not at all	Very Little	Some	Very Much	Total Interest
Teacher lectures (through video or other technological means)	6%	21%	55%	17%	72%
Discussions and debates (online interactive formats such as google hangouts)	11%	18%	53%	19%	72%
Projects and lessons involving personal device apps or other technology sources.	13%	22%	40%	25%	65%
How much does your school emphasize each of the following?	Not at all	Very Little	Some	Very Much	Total Emphasis
Using technology tools (e.g., Google apps for education, virtual field trips, etc.) for class work.	3%	15%	54%	28%	82%
How much has your experience at this school contributed to your development in the following areas?	Not at all	Very Little	Some	Very Much	Total
Using technology to gather and communicate information.	0%	8%	42%	51%	93%

Source: OEQA- ISOK Survey Results (2016)

COMMENDATION

ISOK is meeting individual student interests by emphasizing and integrating the use of technology tools into the instructional delivery process.

FINDING 2-17

ISOK is successful in the employment of technology tools in the delivery of instruction as it matches individual student needs and interests. However, there appears to be less focus on the use of technology for promoting a community of learners through online collaborative interactions/projects. Yet, encouraging students to reach out to each other to solve problems and share knowledge not only builds collaboration skills, it leads to deeper learning and understanding as well as preparing them to be college ready and career successful.

Exhibit 2-26 presents student survey results related to students’ interests in collaborative activities. As shown in the answer to the first question, there does not seem to be a high interest (54 percent) in group project assignments. In the second question, 67 percent of the student survey participants agreed that the school had contributed some or very much to their development in working with others to complete a task or project, yet 33 percent of students felt the school had contributed either *not at all* or *very little*.

Exhibit 2-26
Survey Results as Related to Student Interests in Collaborative Activities

How much do each of the following activities and assignments interest or engage you?	Not at all	Very Little	Some	Very Much
Group projects through online technology.	24%	21%	34%	20%
How much has your experience at this school contributed to your development in the following areas?	Not at all	Very Little	Some	Very Much
Working well with others to complete a task or project.	7%	26%	41%	26%

Source: OEQA- ISOK Survey Results (2016)

Exhibit 2-27 provides comments from the student survey related to their perspectives on how technology could be enhanced within the virtual classroom to increase the number of group projects. Many of the comments focus on the level of interest for online collaborative opportunities. Survey results and comments suggest a wide variety in student interests in working with others in an online forum.

Exhibit 2-27
Sample Student & Parent Survey Comments Related to Perspectives on Technology and Collaborative Opportunities

What suggestions would you like to offer to improve our school?
One or two projects/assignments with a group of students so we/they can learn how to get along with people even if they have different points of view
What do you like least about your virtual charter school?
I think having a study group a few times a month where the kids had to meet at a library to work on a project such as a paper or research for a science fair type thing would benefit the kids like my daughter or once a month a study group that is required, so the kids are getting with kids that are their age

Source: OEQA- ISOK Survey Results (2016)

In an effort to discover best practices or promising practices for K-12 online teachers, a study (DiPietro, et al., 2008)³² found, through triangulation of several data sources, multiple pedagogical strategies to improve student engagement. Among these strategies several pedagogical themes emerged related to the application of technology tools to enhance collaborative opportunities among the students. **Exhibit 2-28** provides a few of those themes as each is detailed according to a promising practice, description of that practice, and an exemplar (online teacher testimony) of that practice.

³² Journal of Interactive Online Learning www.ncolr.org/jiol Volume 7, Number 1, Spring 2008

Exhibit 2-28
Practices for Using Technology to Enhance Collaborative Opportunities for Students

Practice	Description	Exemplar
Teachers were skilled in the basic use of technology.	Having skill with the basic uses of technology benefits instruction by knowing what tools are available in the course environment and their potential for supporting student learning.	“A virtual teacher must have knowledge of technology. Just to operate the management system for the course delivery requires training and practice.”
Teachers are interested in and enjoy exploring new technologies that have potential value for virtual school environments. Teachers continually extend their content and technological knowledge.	This practice indicates an interest in exploring the potential for using a variety of web-based technologies with the virtual school courses they teach. Teachers value being introduced to new strategies for teaching content and how that can meet the needs of diverse students enrolled in the course.	“Successful virtual school teachers must continually improve and continually educate themselves on the curriculum and the technology to provide the best opportunities for students.”
Teachers use multiple strategies to form relationships that support rich interactions with students.	This practice represents a synthesis of statements made by participants that address the need to form strong relationships students enrolled in their virtual school course. Establishing and nurturing these relationships with students was discussed in terms of the impact it has on the quality of interaction in the course, as well as the formation of community.	“...each semester there is a collaborative learning unit - even though we’re going through a Flex course, they work in collaborative groups. I try to organize these groups based on ... ability level, gender, where the kids are from, and then ...each takes on a role. They have to discuss from their perspective, whether this should be done or not, and ...come to a group decision. Then they create PowerPoint presentations individually and then they get to see each other’s presentations and have to comment about the way people have presented their information...”
Teachers encourage and support communication between students.	This practice represents the value of encouraging student-student communication in a course. The value of encouraging these relationships was discussed in terms of the social climate that forms as a result and the opportunities offered by establishing a community of learners.	“Kids are going back, some of them are posting three, four times to a thread because they get engaged in the conversation, the material is interesting. But they talk about other things too like, football. Whatever it is about using the boards, it has the ability to make it (the content) very interesting for them.”

Source: Best Practices in Teaching K-12 Online³³

RECOMMENDATION

ISOK faculty should employ the use of technology tools for facilitating collaborative project opportunities, which will enhance student engagement and development of college and career readiness skills.

When considering best practices for K-12 online education, practitioners need to adhere to some principles to guide their work. For example, virtual K-12 educators need to be able to modify the instructional practices and pedagogical techniques used in face-to-face settings for the online

³³ Journal of Interactive Online Learning www.ncolr.org/jiol Volume 7, Number 1, Spring 2008

environment. This may involve online educators to develop skills to nurture interaction and communication with and among students during the online learning experience. This requires the utilization of pedagogical techniques that draw on and integrate the available technological tools to support student collaboration and knowledge acquisition (Ferdig, Cavanaugh, DiPietro, Black, and Dawson, 2009).³⁴

Based on the feedback from the student surveys it would serve ISOK well to investigate further into ensuring that students are provided the same opportunities to collaborate on projects with other students online as they would have in a brick and mortar institution. This would not be limited to only face-time (Google Hangouts, Skype, BBC, Second Life (avatars) etc.) interactions, but in collaborative group projects. To ensure that students remain motivated and focused in their learning and gain the most from their interaction with other students and their instructors, appropriate strategies for learning activities need to be formulated and implemented.³⁵

Technological tools make it possible for students to collaborate with their instructors and peers for learning new skills and acquiring enhanced knowledge. Some examples are:

- Proofhub³⁶
- Mindmeister³⁷
- Slidrocket³⁸
- Big Marker³⁹
- Second Life⁴⁰

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 2-18

ISOK is a virtual charter public school that operates mostly from state and federal funding to offer all students a free education. A students' only access to ISOK's online instruction requires the use of a computer or other appropriate device (e.g., iPad). Students without computers cannot enroll at ISOK since this is the only means students have to access direct instruction, which is delivered synchronously or asynchronously by their assigned teacher(s).

ISOK's website and student handbook state the current *Loaner Computer Policy* as:

³⁴ <http://eric.ed.gov/?id=EJ880563>

³⁵ <https://elearningindustry.com/6-online-collaboration-tools-and-strategies-boosting-learning>

³⁶ https://www.proofhub.com/?utm_campaign=elearningindustry.com&utm_source=%2F6-online-collaboration-tools-and-strategies-boosting-learning&utm_medium=link

³⁷ https://www.mindmeister.com/?utm_campaign=elearningindustry.com&utm_source=%2F6-online-collaboration-tools-and-strategies-boosting-learning&utm_medium=link

³⁸ <http://www.sliderocket.com/product/>

³⁹ https://www.bigmarker.com/?utm_campaign=elearningindustry.com&utm_source=%2F6-online-collaboration-tools-and-strategies-boosting-learning&utm_medium=link

⁴⁰ <https://www.sophia.org/tutorials/second-life-the-virtual-classroom>

Families with K-12 students will be offered one computer if they qualify for Free & Reduced Lunch. Exceptions for hardship may be made by the Head of School using the following guiding principles:

1. *Medical/health issues*
2. *Military-related cases of hardship*
3. *Disability of student or family member*
4. *Multiple students enrolled with ISOK*
5. *Hardship requests must be documented*
6. *Hardship exceptions are only valid through the end of the current school year. Families must request a new hardship exception each school year.*

Although ISOK offers loaner computers for hardship exceptions and to students who qualify for free or reduced price lunches through the Federal School Lunch Program, this is an inequitable approach and this policy certainly does not reflect a best practice. All students in a public school should have equal access to their teacher without having to pay.

RECOMMENDATION

ISOK should replace its current computer loaner policy with one that reflects an equitable approach by providing computers for *all* students, thus ensuring access to the instructional delivery program.

ISOK administration and board should abandon their current loaner computer policy and replace it with one that provides computers to all students. ISOK being a *virtual* charter public school catapults the need for students to have access to a computer into a critical realm of importance as compared to a brick and mortar school. As a school who implements and receives funding as a Schoolwide Title I program, ISOK must adhere to providing programs and resources for *all* students. Additionally, state law does not permit charter schools to charge tuition or fees, so ISOK should not charge for any computers that they provide. It appears that ISOK has no other option but to provide every student with a computer.

FISCAL IMPACT

This recommendation, if accepted, would eventually lead to a fiscal impact; however, the fiscal impact would only be an estimated guess at this time due to enrollment fluctuations. The fiscal impact chart below is based on the 37 percent of students who did not qualify for the loaned computers during the 2016-17 school year (SY). For the SY 2017-18, ISOK would purchase the number of computers needed based on their newly adopted computer policy and enrollment. (Based on ISOK’s service agreement with K12, there would be an ongoing rental charge, which could greatly increase the amount below.)

Recommendation	2017-18	2018-19	2019-20	2020-21	2021-22
Provide loaner computers for all students. Additional computers to be purchased (37% of 346 enrolled students equals 128 students multiplied cost of a laptop (\$300) to last for five-year cycle.	(\$38,400)	\$0	\$0	\$0	\$0

Instructional Delivery & Local Assessments

Assessments include everything from statewide accountability tests to district benchmarks or interim tests to everyday classroom tests. In order to contend with what some feel to be an over use of testing, educators should frame their view of testing as an opportunity to gain valuable information related to student learning of the content that has been taught. The more information we have about students, the clearer the picture we have about achievement or where gaps may occur. The Association for Middle Level Education (AMLE) explains that “in a balanced assessment system, both summative and formative assessments are an integral part of information gathering”.⁴¹

Summative assessments are given periodically to determine at a particular point in time what students know and do not know. Summative assessment at the district/classroom level is an accountability measure that is generally used as part of the grading process. Below are some examples of summative assessments:

- State assessments (previously referred to as OCCTs and EOIs)
- District benchmark or interim assessments (STAR, Study Island... etc.)
- End-of-unit or chapter tests/ semester exams
- Scores that are used for accountability for schools (A-F Report Cards) and students (report card grades).

Formative assessments are a critical part of the instructional process. Such assessments inform teachers about student understanding at a point when timely adjustments can be made before it is too late. When integrated into daily practice formative assessments provide the information needed to adjust teaching and learning while they are happening. These adjustments help to ensure students achieve targeted standards-based learning goals within a set time frame. AMLE gives an excellent frame of reference for formative assessments:

There are many classroom instructional strategies that are part of the repertoire of good teaching. When teachers use sound instructional practice for the purpose of gathering information on student learning, they are applying this information in a formative way. In this sense, formative assessment is pedagogy and clearly cannot be separated from instruction. It is what good teachers do. The distinction lies in what teachers actually do with the information they gather. How is it being used to inform instruction? How is it being shared with and engaging students? It's not teachers just collecting information/data on student learning; it's what they do with the information they collect.⁴²

FINDING 2-19

ISOK has system-wide expectations and processes for effective use of summative and formative assessments for frequent monitoring of students. Input from interviews and focus group discussions indicated the teaching staff is very clear in the expectations and use of formative and

⁴¹ <https://www.amle.org/BrowseByTopic/WhatsNew/WNDet/TabId/270/ArtMID/888/ArticleID/286/Formative-and-Summative-Assessments-in-the-Classroom.aspx>

⁴² *ibid*

summative assessments. Teachers were aware of the state’s Blueprints and Item Specifications as they relate to pacing the content and aligning formative assessments to determine mastery.

Exhibit 2-29 highlights the competencies of ISOK faculty in understanding the importance of assessments as they relate to curriculum development and the implementation of differentiated instructional strategies. As indicated in the exhibit, 80 percent or more of the surveyed staff *strongly agree* or *agree* that assessments are used for adjusting curriculum, informing instruction, providing feedback, and ensuring student learning.

Exhibit 2-29
Staff Survey Results Concerning the Use of Assessments

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Teachers monitor and adjust curriculum, instruction, and assessments based on data from student assessments.	29%	54%	14%	4%	0%
Teachers provide students with specific and timely feedback about their learning.	17%	53%	23%	7%	0%
Teachers use multiple types of assessments to modify instruction and to revise the curriculum.	27%	60%	13%	0%	0%
Teachers adequately prepare students for state mandated assessments (OCCT, EOI).	29%	50%	21%	0%	0%

Source: OEQA- ISOK Survey Results (2016)

COMMENDATION

ISOK implements procedures and communicates expectations to ensure all teaching staff understands the important role assessments must have in the teaching and learning cycle and includes the application of both formative and summative assessments.

D. STUDENT PERFORMANCE

Student Performance on State Assessments

Special Note: This report of student performance on state assessments is based on legislation that guided the Oklahoma School Testing Program (OSTP) until July of 2016; at the time of the onsite review, the new legislated state assessments had not been administered.

Student assessment is an integral part of measuring student performance. The Oklahoma School Testing Program (OSTP) continues implementation of the current standards-based tests that students must take during the school year. Prior to the 2016-17 school year, those assessments were referred to as the Oklahoma Core Curriculum Tests (OCCT) consisting of Criterion Referenced Tests (CRTs) designed to measure student attainment of skills established for core classes. The OCCT helps monitor student and school performance relative to the OAS. Again, prior to the 2016-17 school year, the OSTP program used a phase-in process to increase tested grades and subjects. CRTs were administered in 3rd through 8th grade, and End of Instruction (EOI) exams were administered for selected high school courses in this manner:

- third grade: Reading and Mathematics;
- fourth grade: Reading and Mathematics;
- fifth grade: Reading, Mathematics, Science, Social Studies, and Writing;
- sixth grade: Reading and Mathematics;
- seventh grade: Reading, Mathematics, and Geography;
- eighth grade: Reading, Mathematics, Science, US History, and Writing; and
- high school: End-Of-Instruction (EOI) tests in English II, English III, Biology I, US History, Algebra I, Algebra II, and Geometry.

All students in the tested grades and subjects must participate in the OSTP. The test results for all students who attend a Full Academic Year (FAY) and are “first opportunity EOI test takers” are included in the calculation of school and district grades in the Oklahoma A-F Grading System. Current administrative rules define "FAY" student, if the student is enrolled within the first twenty (20) instructional days of the school's instructional year through and including the date of administration of the exam, and has not experienced an enrollment lapse of ten (10) or more consecutive instructional days.

Student test scores fall into one of the following four categories:

- Advanced – Student demonstrates superior performance on challenging subject matter;
- Proficient – Student demonstrates mastery of appropriate grade level subject matter and is ready for the next grade, course, or level of education, as applicable;
- Limited Knowledge – Student demonstrates partial mastery of the essential knowledge and skills appropriate to his or her grade level, course, or level of education, as applicable; and
- Unsatisfactory – Student does not perform at least at the limited knowledge level.

To assist teachers and districts in teaching OAS and preparing students for the mandated assessments, the Oklahoma State Department of Education (SDE) provides a variety of resources on its website. These resources include the following:

- OAS by subject and grade level;
- test blueprints for each grade level and subject area test that show what percentage of the test each skill will represent;
- test/item specifications highlight important points about the items' emphasis, stimulus attributes, format, content limits, distracter domain, and sample test items;
- released test questions;
- writing samples;
- a list of words, called the academic vocabulary that are used on each test; and
- depth of knowledge (DOK) levels and percentage weights for all OCCT test questions in test specifications.

For purposes of comparison, OEQA selected two Oklahoma school districts as peer districts based upon size and percentage of economically disadvantaged students. There are no alternative virtual charter schools in Oklahoma that would serve as comparable peers for ISOK so two brick & mortar alternative schools were selected: Emerson Alternative Education of Oklahoma City Public Schools and Justice Alma Wilson Seeworth Academy, which is a charter alternative school.

Exhibit 2-30 provides a comparative look of ISOK, the peer sites and the state’s average for enrollment and percentage of economically disadvantaged students. For the 2015-16 school year, ISOK had the smallest student enrollment and was next to the highest in percentage of students identified as economically disadvantaged and above the state average.

**Exhibit 2-30
ISOK, Peer Sites, and the State’s Average Demographic Data (2015-16)**

Entity	Grade span	Enrollment	Economically Disadvantaged	Caucasian	Black	Asian	Hispanic	Native American
ISOK	7-12	346	63%	62%	5%	0%	8%	11%
Emerson MS/HS	6-12	421	61%	12%	31%	1%	49%	6%
Seeworth Academy	3-12	449	87%	7%	60%	1%	28%	2%
State Average	NA	381	62%	59%	9%	2%	16%	15%

Source: OEQA & SDE Data Services (2016)

Exhibit 2-31 displays results for all students in grade seven. ISOK had the highest percentage of students scoring proficient or above among the peers, but scored lower than the state average in reading. In math, no ISOK or Seeworth Academy seventh grade student scored proficient. No data was available for Emerson Alternative School.

**Exhibit 2-31
Percentage of All ISOK and Peer Sites Full Academic Year
Grade 7 Students Scoring Proficient or Above (2015-16)**

Entity	Math	Reading
ISOK	0%	38%
Emerson MS/HS	*	*
Seeworth Academy	0%	7%
State Average	67%	73%

*Source: OEQA and OKCPS Profiles 2015-16 Report *no data available*

Exhibit 2-32 presents the results for all grade eight FAY students. ISOK had less students scoring proficient or above than Seeworth and was below the state average. In reading, more ISOK students scored proficient or above than Seeworth, but was below the state average. Again, no data was available for Emerson Alternative School.

Exhibit 2-32
Percentage of All ISOK and Peer Districts' Full Academic Year
Grade 8 Students Scoring Proficient or Above (2015-16)

Entity	Math	Reading
ISOK	4%	46%
Emerson MS/HS	*	*
Seeworth Academy	10%	33%
State Average	55%	76%

*Source: OEQA and OKCPS Profiles 2015-16 Report *no data available*

Exhibit 2-33 examines the EOI scores for seven subjects. In Algebra I, ISOK tied for lowest among peers, highest in Algebra II, and lowest among peers for Geometry. ISOK was next to the highest among peers of students scoring proficient or above in English II and English III. ISOK's proficiency score was lowest in US History among the peers yet the highest in biology. Overall, ISOK was below the state average in all seven subjects.

Exhibit 2-33
Percentage of All ISOK and Peer Districts' Full Academic Year
Students Scoring Proficient or Above (2015-16)

Entity	Algebra I	Algebra II	Geometry	English II	English III	US History	Biology
ISOK	33%	50%	25%	55%	71%	25%	30%
Emerson MS/HS	33%	26%	50%	14%	36%	30%	8%
Seeworth Academy	46%	44%	54%	23%	39%	33%	6%
State Average	78%	72%	79%	82%	82%	63%	48%

Source: OEQA and OKCPS Profiles 2015-16 Report

A-F School Grading System

Special Note: At the time of the ISOK onsite visit (November, 2016), the old A-F Grade Card System was still in place. December 15th, 2016 the SDE gave a presentation to the State Board of Education on the proposed changes to the new A-F system to be implemented beginning SY 2017.

In 2011, the Oklahoma Legislature adopted the A-F School Grading System and at the time of this report, the system is still the subject of much statewide concern and conversation. The intent of the school reform legislation was to challenge schools to motivate all students to meet high levels of college and career readiness.

The A-F report card process gives schools data to highlight areas of success and determine areas that need improvement. The A-F School Grading System is also based upon the concept that parents and community members should be able to quickly and easily determine how schools are performing, making it a user-friendly way for parents to determine their child’s school performance.

Prior to the new A-F Grading System’s approval by the Governor (2017), a school’s grades were based on:

- 50 percent on student achievement on the OSTP assessments;
- 25 percent on overall student growth; and
- 25 percent on student growth of the bottom 25 percent of students.

Depending on the school level, schools could also earn up to 10 bonus points for such things as graduation rate and year-to-year growth.

In **Exhibit 2-34** ISOK Middle School’s A-F report card indicates a final grade of F (34 points). The exhibit clearly indicates a much stronger performance in reading than any of the other content areas.

Exhibit 2-34
ISOK Middle School A-F Report Card 2015-16

Student Achievement (50%)			
Subject	# of Students	Performance Index	Letter Grade
Reading	37	43	F
Mathematics/Algebra I	37	3	F
Science	24	21	F
Social Studies/Geography/US History	37	16	F
Overall Student Performance Grade	135	21	F
Overall Student Growth (Progress Towards Proficiency (25%))			
Subject	# of Students	Performance Index	Letter Grade
Reading	27	44	F
Mathematics/Algebra I	27	26	F
Overall Student Growth Grade	54	35	F
Bottom Quartile Student Growth (Progress Towards Proficiency) (25%)			
Subject	# of Students	Performance Index	Letter Grade
Reading	*	*	F
Mathematics/Algebra I	*	*	F
Overall Bottom Quartile Grade	12	42	F
Final Grade: 34 (F) (including 6 bonus points)			

*Source: SDE (2016) *Insufficient number of students’ scores to display results*

Exhibit 2-35 provides a comparison of ISOK Middle School report card scores for 2015-16 with the peer districts. ISOK scored below all peers with bonus points and scored second among peers without bonus points.

Exhibit 2-35
ISOK Middle School Comparison of A-F School Grading System with Peers

2015-16	With Bonus Points		Without Bonus Points	
Entity	Score	Grade	Score	Grade
ISOK	34	F	28	F
Emerson MS/HS	35	F	27	F
*Seeworth Academy	42	F	41	F

*Source: SDE (2016) *All MS/HS grades were combined*

In **Exhibit 2-36** ISOK High School’s A-F report card indicates a final grade of F (55 points). The exhibit clearly indicates a much stronger performance in English than any of the other content areas specifically within the component of student growth.

Exhibit 2-36
ISOK High School A-F Report Card 2015-16

Student Achievement (50%)			
Subject	# of Students	Performance Index	Letter Grade
English II/English III	92	63	D
Algebra I/Algebra II/ Geometry	118	36	F
Biology I	27	30	F
US History	45	44	F
Overall Student Performance Grade	282	46	F
Overall Student Growth (Progress Towards Proficiency) (25%)			
Subject	# of Students	Performance Index	Letter Grade
English II	35	69	D
Algebra I	43	44	F
Overall Student Growth Grade	78	55	F
Bottom Quartile Student Growth (Progress Towards Proficiency) (25%)			
Subject	# of Students	Performance Index	Letter Grade
English II	*	*	*
Algebra I	*	*	C
Overall Bottom Quartile Grade	18	67	D
Final Grade: 55 (F) (including 1 bonus point)			

Source: SDE (2016)

Exhibit 2-37 provides a comparison of ISOK High School A-F report card scores for 2015-16 with the peer districts. As shown, ISOK’s grade (55/F) was highest among peers with and without bonus points.

Exhibit 2-37
ISOK High School Comparison of A-F School Grading System
2015-16

Entity	With Bonus Points		Without Bonus Points	
	Score	Grade	Score	Grade
ISOK	55	F	54	F
Emerson MS/HS	37	F	37	F
*Seeworth Academy	42	F	41	F

*Source: SDE (2016) *All MS/HS grades were combined*

Educational Planning and Assessment System

The ACT (originally an abbreviation of American College Testing), is a college readiness assessment for college admissions in the United States and specifically in the state of Oklahoma. It is produced by ACT, a nonprofit of the same name. The ACT assessment measures high school students' general educational development and their capability to complete college-level work with the multiple choice tests covering four skill areas: English, mathematics, reading, and science.

Exhibit 2-38 compares ISOK’s ACT composite score with the selected peers. ISOK composite score for 2016 was higher than both peers but lower than the state average by 3.2 percentage points.

Exhibit 2-38
ACT Composite Scores for ISOK and Peers (2016)

Entity	2015-16
ISOK	17.2
Emerson MS/HS	13.9
*Seeworth Academy	14.0
State Average	20.4

Source: OEQA, Profiles Database

FINDING 2-20

In addition to the ongoing monitoring and data analysis of student progress using formative assessments and benchmarks, there is consistent use of the OCCT/EOI student performance results. All administrative staff reviews the data with an in depth analysis from the central office level. Assessment results are then conveyed to the teachers by their principal. Once the teachers receive their data there is a standardized process for ensuring the teachers collaboratively (with principal) analyze the data and apply results to improve curriculum and instruction. The Data Manager position was added and has also become vital in this process of ensuring data analysis is part of the culture at ISOK.

Exhibit 2-39 presents several questions administered to the staff related to using the OCCT/EOI outcomes. As shown, the survey results indicate that teachers have experience with reviewing

end-of-year assessment results. An average of eighty-one percent of survey respondents *agree* or *strongly agree* that the process of collecting, analyzing and using data to inform instruction is a significant component within the ISOK culture.

**Exhibit 2-39
Staff Survey Responses Related to Data Analysis**

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Teachers monitor and adjust curriculum, instruction, and assessments based on data from student assessments.	29%	54%	14%	4%	0%
Our virtual charter academy has a continuous improvement process based on data, goals, actions, and measures for growth.	41%	48%	7%	3%	0%
Our virtual charter school has a systematic process for collecting, analyzing, and using student data.	43%	40%	10%	7%	0%
Our virtual charter school ensures that staff members are trained in the evaluation, interpretation, and use of data.	17%	48%	24%	10%	0%
Our virtual charter school uses data to monitor student readiness and success for the next level.	34%	48%	17%	0%	0%
Our virtual charter academy leaders monitor data related to district continuous improvement goals.	34%	48%	17%	0%	0%

Source: OEQA- ISOK Survey Results (2016)

Disaggregating and analyzing student performance data appeared to be a common practice for ISOK administration and faculty in order to serve each student. In the age of high-stakes testing, each individual student must be prepared for the next level of learning. It is important that teachers use performance data to develop awareness and understanding of the skill gaps in student performance. The use of data also results in improving the rigor, pacing, and articulation of curriculum and instruction. As teachers monitor performance data, patterns of individual student learning successes and challenges become evident.

Use of student data helps teachers identify problems and proactively design instruction to ensure that each student’s learning gaps are addressed and that the student is progressing to the best of his/her abilities. It is essential for teachers to have ongoing data to measure learning at each instructional segment. This allows teachers to make informed, collaborative decisions to address potential problems, target student deficiencies, and adjust instruction to meet immediate learning needs.

COMMENDATION

ISOK has exemplary practices in the use of data and has built a strong data literate culture which is foundational in continuous school improvement.

FINDING 2-21

Information from **Exhibit 2-39 above** indicates that 34 percent of respondents either had no opinion or disagreed that staff members are trained in the evaluation, interpretation, and use of data. Although there is still a majority (65 percent) in agreement with this statement, it should be a cautionary sign for ISOK administration.

Building a data literate culture is certainly a challenging goal to obtain and sometimes difficult in communicating its significance among all staff. Ensuring that all stakeholders are aware of this significance, the mission of this goal should be disseminated at all levels within each department while ensuring that every staff member is involved to some degree in the training of data use. Notes from interviews and focus group comments indicated that the training of data use was not widespread among all staff.

RECOMMENDATION

ISOK administration must ensure that *all* staff members understand the significance of a data literate culture and that they are trained in the evaluation, interpretation, and use of data relevant to their position.

School improvement requires a constant conversation with all stakeholders within the ISOK learning community. Their input informs processes, procedures, and planning. Success in promoting and sustaining data-driven decision-making as a tool for school improvement depends on:

- Educating all staff members about what different data convey and how to use data to measure the success of school-improvement efforts, budget decisions, teacher quality initiatives and other practices.
- Asking all stakeholders what their concerns are and what data they need to see to know the school is improving and the status of student achievement.
- Listening to the insights of all staff and reporting back to them how their input may shape decision-making.
- Sharing the school's successes and failures in a consistent manner.
- Speaking in clear, easy-to-understand language that is free of educational jargon.⁴³

FISCAL IMPACT

This recommendation can be implemented with existing resources.

⁴³ Center for Accountability Solutions, American Association of School Administrators. <http://www.aasa.org/data>

E. SPECIAL PROGRAMS

School districts offer educational services to students through a variety of programs including regular education programs and special programs. Special programs are designed to provide quality services for student populations such as those in Special Education, Gifted and Talented Education, and English Language Learner (ELL) programs.

Special Education

The *Individuals with Disabilities Education Act (IDEA), Part B* is the federal law that supports special education and related service programming for children and youth with disabilities ages three through 21. The major purposes of IDEA are:

- to ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for employment and independent living;
- to ensure that the rights of children and youth with disabilities and their parents are protected; and
- to assess and ensure the effectiveness of efforts to educate children with disabilities.

Oklahoma statutes require that each school district shall provide special education and related services for all children with disabilities who reside in that district in accordance with *IDEA*. This duty may be satisfied by:

- directly providing special education for such children;
- joining in a cooperative program with another district or districts to provide special education for such children;
- joining in a written agreement with a private or public institution, licensed residential child care and treatment facility, or day treatment facility within such district to provide special education for children who are deaf or hard-of-hearing, children who are blind or partially blind, or other eligible children with disabilities; or
- transferring eligible children and youth with disabilities to other school districts pursuant to the provisions of the *Education Open Transfer Act*.

Districts must develop an Individualized Education Plan (IEP) for each child receiving special education services under *IDEA*. The IEP must include input from the parent, special education teacher, specialists, and regular education teachers and be aligned with education plans for children in regular education classrooms.

The reauthorization of *IDEA* in 2004, which went into effect in July 2005, includes provisions significantly changing the way learning-disabled students are identified. One change in the law addresses early intervention services and creating opportunities to determine a student's Response to Intervention (RtI). This approach was adopted in 2010 by SDE. With RtI, schools identify students at risk for poor learning outcomes; monitor student progress; provide evidence-based interventions; and adjust the intensity and nature of those interventions depending on a

student’s responsiveness. Based on the results of these interventions, the district may need a referral for additional testing to determine if there is a specific learning disability.

IDEA allows a school district to use up to 15 percent of its *IDEA* allocation to support services to students who have not been identified as needing special education services but who need additional academic and behavioral support to succeed in a general education environment. Funds may be used for professional development in scientific research-based interventions, literacy instruction, and the use of adaptive or instructional technology. It also permits use of funds for educational and behavioral assessments.

An effective special education program is defined by *IDEA* as having the following elements:

- pre-referral intervention in regular education;
- referral to special education for evaluation;
- comprehensive nondiscriminatory evaluation;
- initial placement through an IEP meeting;
- provision of educational services and supports according to a written IEP;
- annual program review;
- three-year re-evaluation; and
- dismissal from the special education program.

Exhibit 2-40 shows comparison data on the percentage of special education students and number of full-time equivalent (FTE) teachers in special education. ISOK’s percentage of students being served in special education was higher than Emerson, but lower than Seeworth. ISOK was tied for lowest number of special education teachers among the peers and lower than the state average. For the number of student-to-teacher ratio, ISOK was higher than Seeworth, but lower than Emerson and the state average.

Exhibit 2-40
Students and Teachers in Special Education Programs
2015-16

Entity	Percentage of All Students	# of Special Education Teacher FTEs	# of Special Education Students per FTE
ISOK	21.0%	4	18
Emerson MS/HS	18.5%	4	19
Seeworth Academy	28.0%	8	16
State Average	15.4%	8.5	23.5

Source: OEQA, Profiles Database

FINDING 2-22

Based on survey results, interviews and focus group comments, there seems to be a high satisfaction with the services provided for special education students attending ISOK. **Exhibit 2-41** represents staff and parent responses related to their perceptions of the special education program. Ninety percent of staff *strongly agree* or *agree* that ISOK provides related support services for all students based on their learning needs. A majority of parent responses (82 percent) *strongly agree* or *agree* that their child has access to support services based on his/her identified needs with 19 percent having *no opinion*.

**Exhibit 2-41
Survey Results Regarding Special Education**

Staff Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
In our virtual charter academy, related learning support services (Special Ed, ELL, etc.) are provided for all students based on their needs.	37%	53%	7%	3%	0%
Parent Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
My child has access to support services based on his/her identified needs.	46%	36%	19%	0%	0%

Source: OEQA- ISOK Survey Results (2016)

COMMENDATION

ISOK special education staff is commended for providing special education students with a program that provides students the appropriate services for their learning needs.

FINDING 2-23

The academic performance of special education students has had an overall increase in math and reading/English Language Arts within the past two years. OEQA consultants used performance level reports (provided by ISOK) in an attempt to evaluate the performance of the ISOK special education program. With only two years available to review, no trend patterns have been established at this point. However, the increase in performance for most all grades for math and reading/ELA is certainly encouraging. **Exhibit 2-42** presents the percent of ISOK IEP students' scoring proficient or above on the state's math and reading assessments for 2014-15 and 2015-16.

Exhibit 2-42
Percent of ISOK IEP Students’ Scoring Proficient or Above on OCCT/EOI Overtime

Grade	2014-15		2015-16		Change in Percentage Points (pp)	
	Math/ Alg I	Reading/ ELA II	Math/ Alg I	Reading/ ELA II	Math/ Alg I	Reading/ ELA II
7 th Grade	0%	0%	25%	50%	25 ▲	50 ▲
8 th Grade	0%	33%	0%	40%	0	7▲
High School	0%	20%	40%	40%	40 ▲	20▲

ISOK State Assessment Report & Data Files

COMMENDATION

ISOK is commended for keeping special education teacher-to-student ratios low, thus contributing to positive gains in student performance on end of the year state mandated assessments.

Title I – Part A Program

Title I, Part A provides supplemental federal funds to ensure all students have fair, equal, and significant opportunities to obtain a high-quality education and reach at minimum, proficiency on challenging state academic achievement standards and state academic assessments. Title I, Part A is focused on improving the academic achievement of low-achieving students in schools with high concentrations of children from low-income families and is governed by statutory and regulatory requirements of Title I, Part A of ESEA.

Title I schools with less than the 40 percent schoolwide threshold or that choose not to operate a schoolwide program offer a "targeted assistance program" in which the school identifies students who are failing, or most at risk of failing, to meet the State's challenging academic achievement standards. Targeted assistance schools design, in consultation with parents, staff, and district staff, an instructional program to meet the needs of those students. Both schoolwide and targeted assistance programs must use instructional strategies based on scientifically based research and implement parental involvement activities.

Schools in which children from low-income families make up at least 40 percent of enrollment are eligible to use Title I funds for schoolwide programs that serve *all* children in the school. ISOK implements a schoolwide Title I program for both elementary and middle school. Implications of Title I, Part A, are that all students within a schoolwide Title I program are to have equitable treatment as it relates to receipt of curriculum, instruction and the equipment provided for the delivery of such (i.e., each student would be eligible for receipt of a laptop in a public virtual charter school).

FINDING 2-24

The Title I program is strategic and action oriented using evidenced-based decision making and planning. The Title I plan is highly regarded as an instrument that guides much of the schools’ processes.

While onsite, OEQA consultants discovered ISOK's Title I program was unique in its prominent role within the school's leadership team. This program was more than just following the rigorous guidelines of ensuring that funding was used wisely and efficiently. ISOK's overall school improvement plan (academic plan) is weaved within the Title I plan.

The Title I committee meets 1 to 3 times per year. In February, the annual needs assessment is reviewed. Part of this process is the use of surveys that have been adapted from the Marzano Oklahoma Surveys. Wording has been tweaked to match a virtual learning environment. The results are reviewed in May along with the student performance scores. The process helps the Title I Committee to begin planning for the year. By August, the development of the plan is well underway. In the month of November the ISOK Board approves the Title I plans. In December, the team meets again to review the priorities of the plan. Questions that are raised: What are we doing to meet those goals and do we need to tweak? In May, the review begins again along with a process for evaluating the plan's implementation and alignment with all other programs. Data that is gathered is the tool for evaluation. Such data consists of graduation rates, student engagement, attendance, live instruction, state test scores, dropout rates and more.

COMMENDATION

ISOK is commended for implementing an effective and efficient Title I program that contributes to the school's strategic planning process.

Gifted & Talented Program

Chapter 8 Article VII, Section 904 of the Oklahoma School Code (OSC) defines Gifted and Talented children as "those children identified at the preschool, elementary, or secondary level as having demonstrated potential abilities of high performance capabilities and needing differentiated or accelerated educational services." The definition includes students who scored in the top three percent on any national standardized test of intellectual ability or who excel in the areas of creative thinking ability, leadership ability, visual performing arts ability, and specific academic ability.

OSC Section 910 requires each school district to provide Gifted and Talented educational programs and to serve those identified students who reside within the school district boundaries. The local school board of each district is required to submit a plan for Gifted and Talented programs to the State Board of Education and to provide annual program reports to the SDE.

Required components for Gifted and Talented education programs are as follows:

- a written policy statement which specifies a consistent process for assessment and selection of children for placement in Gifted and Talented programs in grades 1st through 12th grade;
- a description of curriculum for the Gifted and Talented educational program, demonstrating that the curriculum is differentiated from the normal curriculum in pace and/or depth, and that it has scope and sequence;

- criteria for evaluation of the gifted child educational program;
- evidence of participation by the local advisory committee on education for Gifted and Talented children in planning, child identification, and program evaluation;
- required competencies and duties of Gifted and Talented educational program staff;
- number and percentage of students identified by the district as Gifted and Talented children pursuant to “subparagraph g” of paragraph 2 of subsection B of Section 18-201 of this title; and
- a budget for the district’s Gifted and Talented educational programs.

No federal agency collects data on the number of Gifted and Talented students identified; however, the National Association for Gifted Children notes that between five and seven percent of students should be identified.

FINDING 2-25

ISOK has a well-organized Gifted & Talented Handbook that explicitly explains all aspects of the program including formalized procedures for identifying students for acceptance into the Gifted and Talented Program (G&T). Yet, surprisingly there are no students who have been identified for the gifted and talented program. **Exhibit 2-43** provides information for each special program offered and the number of students that have been identified for each of those programs. Out of 346 students, the G&T program is the only one with no students identified.

**Exhibit 2-43
Number of Students Identified for ISOK’s Special Programs**

Grade	Number of Students	Special Education	Economically Disadvantaged	Gifted Talented	ELL
7	24	5	14	0	0
8	46	10	30	0	1
9	100	23	64	0	0
10	70	17	46	0	1
11	67	14	42	0	1
12	39	4	21	0	1
Total	346	73	217	0	4

OEQA – ISOK data 2017

Exhibit 2-44 again provides information for each special program offered, but also presents a comparative look at percentage of students identified for these programs within the peer schools. Both peers have identified students for their G&T programs. Emerson has identified 4.5 percent of their students as qualifying for services while Seeworth Academy has identified 5.0 percent of students for the G&T program.

Exhibit 2-44
ISOK & Peers Percentage of Students Identified for Special Programs

School	Number of Students	Special Education	Economically Disadvantaged	Gifted Talented	ELL
ISOK	346	21.0%	63%	0.0%	0.01%
Emerson MS/HS	421	18.5%	61%	4.5%	13.3%
Seeworth Academy	449	28.0%	87.0%	5.0%	23.0%

OEQA – ISOK Data 2017 & OKCPS Profiles 2015-16

RECOMMENDATION

ISOK leaders should evaluate and possibly revise protocols for identifying potential G&T students thus ensuring that equity and opportunity is accessible for all who qualify.

When reviewing the law that guides the gifted and talented program, two required components should be addressed more intensely by ISOK administration:

- criteria for evaluation of the gifted child educational program; and
- evidence of participation by the local advisory committee on education for Gifted and Talented children in planning, child identification, and program evaluation;

ISOK’s G&T Handbook sets out exemplary guidelines that follow the requirement of the law. However, without students identified then there is no program. Evaluating all aspects of the program – specifically the process for identification and guidance to the local advisory committee in that process, should be a priority of administrative staff. Chapter three of this report also reviews the potential funding for this program.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

F. STUDENT SERVICES

Student services normally encompass counseling, health services and social services in most Oklahoma districts. The services provided may include:

- college and career counseling
- health education and health services

- substance abuse and psychological counseling

Recently, these services have played a more important role in helping students cope with the complexities of today's world. The role of the educational community in providing needed assistance for career and individual needs will continue to grow in future years.

Counseling and Guidance Services

The Oklahoma State Board of Education Accreditation Standards for guidance and counseling are:

- *Accreditation Standard 6.02.* The counseling staff, parents, administrators, and others shall provide guidance and counseling program direction through involvement in assessment and identification of student needs.
- *Accreditation Standard 6.04.* The school shall develop a written description of a guidance and counseling program with special provisions for at-risk students. The program shall address assessed needs of all students, including those who are identified as at-risk and shall establish program goals, objectives, and evaluation.
- *Accreditation Standard 6.06.* Each school shall provide an organized program of guidance and counseling services that include: counseling services available to students; a planned sequential program of guidance activities that enhance students' development; appropriate referrals to other specialized persons, clinics, or agencies in the community; and coordinated services.
- *Accreditation Standard 6.08.* Each counselor shall follow a planned calendar of activities based upon established program goals and provide direct and indirect services to students, teachers, and/or parents.

The SDE publishes *The School Counselor's Guide: Developing a Comprehensive School Counseling Program Using Accreditation Standard VI*. This publication is designed to assist school districts in strengthening existing programs or developing new ones. The major components of the defined guidance curriculum include Guidance Curriculum Domains (Academic Development, Career Development, and Personal/Social Development); Student Competencies; and Guidance Curriculum Delivery.

The American School Counselor Association (ASCA) states:

School counseling programs are collaborative efforts benefiting students, parents, teachers, administrators, and the overall community. School counseling programs should be an integral part of students' daily educational environment and school counselors should be partners in student achievement.

ASCA recommends that school counselors divide time between four components:

- **Guidance Curriculum** – The guidance curriculum is structured developmental lessons designed to assist students. The guidance curriculum is infused throughout the school's

overall curriculum and presented systematically through K-12 classrooms.

- Individual Student Planning – School counselors coordinate ongoing activities designed to assist students individually in planning.
- Responsive Services – Responsive services are activities meeting individual students’ immediate needs that may require counseling.
- Systems Support – School counseling programs require administration and management.

FINDING 2-26

ISOK has created the Family Academic Support Team (FAST) to provide extra assistance to students and parents. This support system is above the normal support of teachers, administration, and counselors. The motto of this program is “engaging the unengaged”. The FAST team comprises several layers of support to catapult each student and his/her family toward success and graduation. These positions are essential in a virtual environment.

The weakness of this program is the waiting list for students who need this support. Students are referred to the program by their teacher, who then refers the students to his/her lead and then further referred to the FAST lead. FAST team members have caseloads of about 50 families if they are a full-time FAST member and 25 families if they are part-time. Students are added to the caseload by October. During the summer the FAST members are available to all families for the strong start program. This layer of support works with the teachers; present a united front to the families; build relationships so when a parent complains about the teacher then the FAST member can offer them the resources needed.

There is considerable amount of training such as attending national training with the K12 Inc. headquarters. Technology and conflict resolution techniques are just a few components of their training. Members mentioned that the collaboration with each other and the FAST Coordinator Lead is extremely beneficial in the day-to-day operations.

COMMENDATION

ISOK seeks to include positions and programs that will support students and their families in acclimating to the virtual school environment while making strong efforts in helping students reach their individual goals.

FINDING 2-27

ISOK’s counseling staff is not only highly qualified (NCLB), but competent in working with students. The counselor is engaged and ready to serve students in preparing them for college and career and certainly in helping each one reach the ultimate goal of graduation.

Exhibit 2-45 shows that 80 percent of the staff *strongly agree* or *agree* there are adequate counseling services for students enrolled in ISOK. Only three percent of survey respondents *disagreed* that there is quality counseling services at ISOK. In addition, 80 percent of staff *strongly agree* or *agree* that students receive information for college entrance requirements and

scholarships while 20 percent had *no opinion*. The staff seemed to be informed about the vocational guidance or participation with 80 percent who *strongly agree* or *agree* that students are prepared for the workforce.

Exhibit 2-45
ISOK Charter School Staff Survey Results
Regarding Counseling Services

Staff Survey Statement	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Our virtual charter school provides high quality student support services (e.g., counseling, referrals, educational and career planning).	40%	43%	13%	3%	0%
Students receive timely information on college entrance requirements and scholarship offers.	27%	53%	20%	0%	0%
Students receive adequate vocational training to prepare them for the workforce, if they choose that path.	10%	70%	20%	0%	0%

Source: OEQA - ISOK Survey Results (2016)

Exhibit 2-46 shows that 83 percent of parents *strongly agree* or *agree* the counseling services were of quality while 13 percent had *no opinion* and four percent *disagree* or *strongly disagree*.

Exhibit 2-46
ISOK Charter School Parent Survey Results
Regarding Counseling Services

Parent Survey Statement	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Our virtual charter school provides excellent student support services (e.g., Counseling, and /or career planning).	42%	41%	13%	3%	1%

Source: OEQA - ISOK Survey Results (2016)

COMMENDATION

At this time most all stakeholders are satisfied with the counseling services.

Chapter 3:
Business Operations

Chapter 3

Business Operations

This chapter addresses the business operations of Insight School of Oklahoma (ISOK) and is divided into the following sections:

- A. Planning, Budgeting, and Financial Processes
- B. Purchasing
- C. Asset and Risk Management

ISOK’s Audited Financial Statements from Jenkins and Kemper, dated June 2016 state, “The School is a not for profit corporation in the State of Oklahoma filed with the Secretary of State as Insight School of Oklahoma on October 23, 2015. The School is recognized by the Internal Revenue Service as an exempt organization under section 501(c)(3) of the Internal Revenue Service Code.”

Financial, asset, and risk management in school districts require thoughtful planning and decision-making. Public school districts must meet or exceed increasingly rigorous academic standards without exceeding their budgetary resources. The superintendent and governing board must ensure that the district receives all available revenue from state and federal sources and expends those funds in accordance with all applicable laws, rules, regulations, and policies so that the district can best meet or exceed the established academic standards.

Virtual Charter School Funding

Charter schools are funded differently than other public schools. Title 70 O.S. § 3-136 states, “The governing body of a charter school may not levy taxes or issue bonds.” Because charter schools receive no local revenue from taxation, the vast majority of their funding comes from State Aid and is based on average daily membership (ADM). Furthermore, unlike other public schools and brick-and-mortar charter schools, virtual charter schools’ initial State Aid allocation is derived from the number of enrolled students on August 1st of each year.

Title 70 O.S. § 18-200.1 allows the Oklahoma State Department of Education (SDE) to subtract certain local revenue, called chargeable income, from a school district’s State Aid allocation. This chargeable income includes property valuation, gross production taxes, and motor vehicle tax collections. Because charter schools do not receive local revenue, this chargeable income is not subtracted from charter schools’ State Aid allocation.

In regard to traditional public schools and brick-and-mortar charter schools, Title 70 O.S. § 18-201.1 states, “The weighted calculations...shall be based on the highest weighted average daily membership of the first nine (9) weeks of the current school year, the preceding school year or the second preceding school year of a school district, unless otherwise specified. The highest of the three (3) weighted average daily memberships shall be used consistently in all of the calculations...”

The law is different for virtual charter schools. Title 70 O.S. § 3-142 states, “...the weighted average daily membership for the first year of operation and each year thereafter of a full-time virtual charter school shall be determined by multiplying the actual enrollment of students as of August 1 by 1.333...At midyear, the allocation for the full-time virtual charter school shall be adjusted using the first quarter weighted average daily membership for the virtual charter school.”

While all public schools, that receive State Aid, typically receive a midyear adjustment to their State Aid allocation, virtual charter schools often receive a greater percentage amount than other public schools. This is due to virtual charter schools’ initial allocation being based on a fixed weight of 1.333. Once all the weights are calculated after the first quarter, the virtual charter schools’ weighted ADM frequently is greater than 1.333. Along with any increase in student membership after August 1st, the increased weight leads to additional state revenue at midyear.

For example, ISOK’s initial State Aid allocation on August 6th, 2015 was \$1,348,747. The school’s midyear adjustment increased the allocation to \$1,555,498 on December 18, 2015. Thus, ISOK received an additional \$206,751 in State Aid during the remainder of the 2015-16 school year. ISOK’s initial State Aid allocation for the 2016-17 school year was \$1,283,067 and increased to \$ 1,869,195 on January 4th, 2017. This was an increase of \$ 586,128.

Exhibit 3-1 shows the percentage breakdown of revenue from local and county, state, and federal sources for ISOK, other virtual charter schools, and the State for school year 2015-16. With little local revenue, ISOK receives the bulk of its revenue from State Aid. It should be noted that totals do not equal 100% due to rounding and some revenue (e.g. district, state categorical, etc.) not accounted for below.

**Exhibit 3-1
Breakdown of Revenues by Source
2015-16**

Entity	Local and County	State Revenue	Federal Revenue
Insight School of OK	<1%	92%	8%
ABLE Charter School	<1%	99%	0%
Epic Charter Schools	<1%	95%	5%
OK Connections Academy*	20%	74%	6%
OK Virtual Charter Academy	<1%	86%	13%
State	42%	47%	12%

Source: OEQA, Profiles Database; SDE, OCAS Reports

**OCA codes in-kind contributions from Connections Education, LLC as Local Revenue*

Traditional public schools and brick-and-mortar charter schools may receive transportation funding based on average daily haul and a codified transportation factor. Average daily haul (ADH) is the number of students in a district that live one and one-half miles or more from a school site. Because virtual charter school districts encompass the entire state of Oklahoma, specific administrative rules govern their transportation funding.

Oklahoma Administrative Code (OAC) 777:10-5-3(d) states, “A statewide virtual charter school shall not be eligible to receive transportation supplement funding for transportation to a statewide virtual charter school site...for any school year without a written transportation plan approved by the Statewide Virtual Charter School Board. The statewide virtual charter school shall submit its approved transportation plan to the State Department of Education Office of State Aid no later than July 1 prior to the school year for which the transportation plan has been approved.” At the time of this review, no virtual charter school had received approval for a transportation plan.

Public schools and brick-and-mortar charter schools typically receive funding from the SDE for Child Nutrition Programs. Title 70 O.S. § 3-119 states, “Funds appropriated to the State Board of Education for School Lunch Matching and School Lunch Programs shall be apportioned by the State Board of Education to each school district for the purpose of providing meals for children in compliance with the National School Lunch Act and the Child Nutrition Act of 1966 and Public Law 91-248, as they may hereafter be amended or supplemented.” At the time of this review, no virtual charter school had received Child Nutrition funds from the SDE.

Evidence from a number of reviews shows that many school districts do not receive enough transportation or Child Nutrition funds to cover the cost of these services. Currently, virtual charter schools do not receive these funds but also do not bear the cost of these services. If these services were to be provided and the funds allocated by the SDE, virtual charter schools’ revenues and expenditures would be impacted.

Revenue and Expenditures

Title 70 O.S. § 3-136 states, “A charter school, to the extent possible, shall be subject to the same reporting requirements, financial audits, audit procedures, and audit requirements as a school district. The State Department of Education or State Auditor and Inspector may conduct financial, program, or compliance audits. A charter school shall use the Oklahoma Cost Accounting System [OCAS] to report financial transactions to the sponsoring school district...” Policies and procedures set forth in OCAS describe the basis of funding of Oklahoma public schools, the duties and procedures for the financial operations of the district, and the role of the SDE and the district in receiving, dispensing, reporting, and accounting for school funds.

Governing boards, administrators, business managers, encumbrance clerks, treasurers, independent auditors, and other parties with responsibilities for school budgets and the administration of school district funds must be familiar with OCAS policies and procedures. Title 70 O.S. § 3-136 further states, “No later than September 1 each year, the governing board of each charter school formed pursuant to the Oklahoma Charter Schools Act shall prepare a statement of actual income and expenditures for the charter school for the fiscal year that ended on the preceding June 30... statement of expenditures shall include functional categories as defined in rules adopted by the State Board of Education to implement the Oklahoma Cost Accounting System ...Charter schools shall not be permitted to submit estimates of expenditures or prorated amounts to fulfill the requirements...”

ISOK does generate some district revenue. Revenue is collected for activities and deposited into an activity fund. The 2015-16 OCAS Revenue Report for ISOK showed that \$555 was deposited into the district’s Activity Fund account.

ISOK also charges \$150 per course for summer school tuition. The 2015-16 OCAS Revenue Report showed that \$1,414 for Tuition and Fees was deposited into the district’s General Fund account. Title 70 O.S. § 3-136 states, “A charter school may not charge tuition or fees.” However, it appears that this statute has been interpreted to apply to the regular school year and not summer school, the logic being that schools do not receive State Aid for summer school (though in some instances State Aid is paid during the school year for Special Education Summer Programs).

ISOK spent far less than the State Average for all public schools each year; however, it should be noted that virtual charter schools do not receive any local funding via taxation and also lack Child Nutrition, Transportation, and many activity fund revenues and expenditures, which are included in the State Average. Thus with only State, Federal, and some district revenue and without various expenditures (e.g. Child Nutrition, Transportation, etc.), ISOK per pupil expenditures are less than the State Average.

Exhibit 3-2 below shows the revenue and expenditures reported via OCAS by ISOK for school years 2014-15 to 2015-16. Projections for 2016-17 come from documents prepared by K12. ISOK revenues and ADM increased each year, and Per Pupil Expenditures (PPE) fluctuated.

Exhibit 3-2
ISOK Reported Revenue and Expenditures

School Year	Revenue	Expenditures	ADM	PPE	State Avg. PPE
2014-2015	\$ 1,047,656	\$ 1,046,571	216	\$ 4,845	\$ 9,664
2015-2016	\$ 1,649,999	\$ 1,639,106	274	\$ 5,981	\$ 9,634
2016-2017*	\$ 1,567,931	\$ 1,567,931	283	\$ 5,540	Unknown

Source: SDE, OCAS Reports

**Projected from Internal ISOK Budget Documents*

Exhibit 3-3 below shows the percentage of 2015-16 expenditures by function. ISOK purchases services through contracts with various vendors and its charter management organization. Other virtual charter schools are managed by national or local organizations and purchase services, such as staff (Oklahoma Virtual Charter Academy and Oklahoma Connections Academy) and curriculum, from those organizations. Traditional public schools do not typically contract with management organizations and have a smaller percentage of expenditures coded as Purchased Services. These facts, along with other funding and regulatory differences, make it difficult to compare virtual charter school expenditures by function with State percentages.

**Exhibit 3-3
Percentage Breakdown of 2015-16 Expenditures by Function**

Entity	Salaries	Benefits	Purchased Services	Supplies	Property	Other
Insight School of OK	0%	0%	97%	3%	0%	<1%
ABLE Charter School	54%	15%	16%	13%	0%	2%
Epic Charter Schools	40%	10%	49%	1%	<1%	1%
OK Connections Academy	0%	0%	75%	25%	0%	<1%
OK Virtual Charter Academy	0%	0%	86%	14%	0%	<1%
State	47%	16%	13%	10%	4%	10%

Source: SDE, OCAS Reports

Fund Balance

The fund balance, often referred to as “carryover,” is defined as the excess of assets over liabilities and is used in future years to offset any revenue shortfalls or negative midyear adjustments that may occur. Fund balance is seen as the amount of cash that is not set aside for purchase orders, contracts, outstanding warrants, or other obligations. A school district’s fund balance policy can provide guidance for the development and implementation of an annual budget.

As shown in the **Exhibit 3-2** above, ISOK typically expends fewer dollars than are received as revenue each year. Because virtual charter schools receive their initial State Aid allocation based on August 1st enrollments each year and a fixed ADM weight of 1.333, these schools must wait until the midyear adjustment to receive their full weighted ADM for all students on their rosters between August 1st and October 1st. With less revenue to expend between August and January, it is in the best interest of the virtual charter schools to maintain a healthy end-of-year fund balance to carry over into the next school year.

Title 70 O.S. § 3-142 states regarding charter schools, “Any unexpended funds may be reserved and used for future purposes”. **Exhibit 3-4** shows carryover amounts from school years 2014-15 to 2016-17. As 2014-15 was the first year of operation for ISOK, there was no carryover from 2013-14. The ISOK carryover amount has increased. For 2016-17, ISOK carried over less than one percent (1%) of its 2015-16 revenue.

**Exhibit 3-4
Carryover Amounts by Year**

Entity	2014-15	2015-16	2016-17
Insight School of OK	\$0*	\$1,085	\$10,254
ABLE Charter School	NA	\$0*	\$26,194
Epic Charter Schools	\$1,463,572	\$3,280,962	\$5,598,667
OK Connections Academy	\$0*	\$15,933	\$7,909
OK Virtual Charter Academy	\$70,927	\$60,873	\$49,218

*Source: SDE, OCAS Reports; State Auditor and Inspector, 2016 Audited Financial Statements, FY17 Estimate of Needs; * First Year of Operation*

Charter Management Organization

Some, but not all, charter schools around the nation are managed by national or local organizations. These management organizations provide a wide-array of services including staffing, technology, curriculum, financial support, and administration. For example, K12 Virtual Schools, LLC (K12) manages programs in 33 states. K12 manages both ISOK and Oklahoma Virtual Charter Academy (OVCA); however, each school has a separate and distinct contract with K12.

K12, as the charter management organization for ISOK, is paid for its services by the school’s governing board. The services agreement between the governing board and K12, dated July 2016, states, “...K12 and Affiliates shall provide to the School solely for the Program ‘Administrative Services’ including financial and school administration services, teacher recruiting, training and management, and ‘Technology Services’ to include a student information system, hosting of an online platform, a student account management system and related technical support and other educational services...”

For Administrative Services, K12 charges ISOK up to fifteen percent (15%) of the school’s revenue. K12 charges ISOK up to seven percent (7%) of the school’s revenue for Technology Services. However, interviews and an examination of documents showed that K12 has not charged the maximum amounts for either service fee during the term of the contract.

As shown in **Exhibit 3-5**, typically, Administrative Services fees have amounted to less than twelve percent (12%) of the school’s revenue, and Technology Services fees have amounted to less than one percent (1%) during the term of the services agreement. The Administrative Service fees have declined since ISOK’s initial year of operation. Administrative Service fees listed in the services agreement are not same as OCAS defined Administrative costs.

**Exhibit 3-5
Services Fees as a Percentage of Revenue**

Year	Revenue	Administrative Service Fee	Technology Service Fee
2014-15	\$ 1,047,656	\$ 117,545 (11%)	\$ 0 (0%)
2015-16	\$ 1,649,999	\$ 91,968 (6%)	\$ 7,735 (<1%)
2016-17*	\$ 1,567,931	\$ 90,489 (6%)	\$ 500 (<1%)

Source: SDE, OCAS; ISOK, Internal Budget Planning Document

** Projected*

However, not all school revenues go to K12. The ISOK governing board uses some revenue to pay leases for facilities and local contracts with the treasurer, auditors, and attorneys. For example, ISOK currently pays OVCA \$800 per month to sublease space in the facility leased by OVCA for school administration. As shown in **Exhibit 3-4**, the school also maintains a carryover, which is not dictated by K12.

Staffing

Staff members for ISOK are K12 employees and provided to the school per the management contract. Salaries for ISOK staff are not billed to ISOK and are handled as part of the services agreement with K12. ISOK payroll documents for the 2015-16 school year showed 38 staff. However, some of these staff members are shared with OVCA. **Exhibit 3-6** shows the number of staff by position in 2015-16.

**Exhibit 3-6
Number of ISOK Staff by Position
2015-16**

Position	Number
Attendance Clerk	1
Compliance Coordinator	1
Counselor	1
Data Coordinator	1
Principal	1
Encumbrance Clerk	1
Family Support Liaison	4
Head of School	1
Office Manager	1
Operations Manager	1
Registrar	1
Related Services Coordinator	1
Social Worker	1
Special Education Manager	1
Special Education Registrar	1
Special Education Teacher	5
Teacher	14
Testing Coordinator	1

Source: ISOK Payroll Document 2016

The ISOK governing board pays K12 for the school’s staff, and K12 assumes the responsibility for recruiting, vetting, hiring, evaluating, training, and terminating these staff. As K12 employees, staff for ISOK receives compensation and benefits through K12. In regard to staffing, the agreement dated July 2016 states, “K12 will employ and determine the employment terms for administrative personnel...and such other staff, including teaching staff...” The agreement further states, “K12 shall...employ and be ultimately responsible for the Teachers and ‘Student Support Staff’...for the Program.” Expenses for teaching staff have typically amounted to between 48% and 60% of the school’s revenue during the term of the services agreement.

A. PLANNING, BUDGETING, AND FINANCIAL PROCESSES

Day-to-day financial processes should be efficient and effective. They should also be documented, transparent, and rational. Accounting and payroll are among the most important business functions performed by a school district. Although regulations and other accounting standards exist, actual practices can vary widely throughout the state.

Interviews and a review of financial documents showed that the annual budget for ISOK is prepared in collaboration from K12, the governing board, and the locally contracted treasurer. The school's Estimate of Needs is the basis for the annual budget. Projections are made regarding enrollment and staffing needs annually.

The Finance Manager for K12 attends at least one board meeting before May 1st of each year to present the proposed budget and answer questions. The management contract states, "The School will adopt an annual Program budget for each Fiscal Year during the Term and the Parties agree that K12 will present to the Board...a proposed Program budget for each such Fiscal Year."

Though K12 manages both ISOK and OVCA and both schools have common staff, facilities, auditors, and treasurers, each school has separate bank accounts. ISOK banks with Bank of Oklahoma. OVCA banks with BancFirst in Oklahoma City, OK. Each school submits separate OCAS data and audits.

Interestingly, K12 assumes all financial risks for the management of ISOK. In other words, K12 will credit ISOK certain amounts each year so that ISOK does not expend more revenue than it has available. The management contract states, "The Parties agree that the Program will not conclude a Fiscal Year during the Term in a Negative Net Asset Position...As an inducement for entering into this Agreement, the School and K12 agree that K12 is willing to assume the financial risks set for herein..."

The Audited Financial Statements dated June 2016 noted, "A provision in the K12 agreement provides for the issuance of accommodation credits to ensure the School does not end a fiscal year in a negative net asset position...if the total expenditures exceed the amount of funds available, the related party, K12, will issue a 'deficit credit' or what is referred to in the financial pages as an in-kind contribution for the amount of expenditures that would cause the School to go into a fund balance deficit...Any excess expenditure owed to the related party is thus forgiven."

The Audit stated that in-kind contributions from K12 during the 2014-15 school totaled \$398,445 and in the 2015-16 school year totaled \$291,878. Internal financial documents project K12 in-kind contributions for the 2016-17 school year to be \$487,176. These contributions, or credits, are shown in **Exhibit 3-7** below.

FINDING 3-1

ISOK is protected from financial risks per its services agreement with K12. K12 guarantees the financial stability of its managed schools across the country by issuing credits against its contracted service fees. This ensures that schools can end each school year without a deficit even during a time of budget cuts and financial uncertainty. In exchange for this security, schools managed by K12 must use the services of K12 almost exclusively of other vendors or providers. The services agreement dated July 2016 states, “K12 shall be the sole provider of Educational Products and Services for this Program...”

These credits are called in-kind contributions in ISOK’s Audited Financial Statements. **Exhibit 3-7** shows the amounts credited by K12 to ISOK from school year 2014-15 to a projected amount in school year 2016-17. The three-year totals are in excess of one million dollars. As a result of the credits, K12 has provided additional products and services to Oklahoma students at no cost to ISOK.

**Exhibit 3-7
 K12’s In-kind Contribution Amounts by Year**

	2014-15	2015-16	2016-17*
In-kind Contribution Amount	\$ 398,445	\$ 291,878	\$ 487,176

*Source: ISOK, Audited Financial Statements; Internal Budget Planning Document
 * Projected*

COMMENDATION

ISOK is protected from financial risks and deficits via its services agreement with K12.

FINDING 3-2

The ISOK governing board contracts annually with a local treasurer. This Treasurer works with a number of school districts in Oklahoma, including OVCA, and has experience as a school auditor. The Treasurer attends ISOK governing board meetings and reports to both the governing board and school leadership. The Treasurer meets at least weekly with the school leadership to discuss the school’s financial standing and address any questions or concerns regarding revenue, expenditures, and cash flow. The Treasurer also assists the governing board and school leadership in submitting reports to the SDE. Interviews and a review of documents show that the Treasurer, ISOK governing board, and school leadership have a good working relationship and carefully track the school’s spending compared to the adopted budget.

COMMENDATION

ISOK contracts with a local treasurer who works well with the governing board and school leadership to track revenue, expenditures, and cash flow.

FINDING 3-3

ISOK limits enrollment each school year to help control growth and expenditures while focusing on student achievement. The deadline for enrollment is normally in the first week of September. Virtual charter schools receive funding based on August (initial State Aid) and October (mid-year adjustment) enrollments. Any students enrolling or exiting after the October reporting period do not positively or negatively impact funding in a particular school year. By imposing an enrollment deadline in the fall, ISOK can accurately project State Aid revenue and thus, staffing, technology, and curriculum expenditures.

Exhibit 3-8 below shows the fall enrollment for each Oklahoma virtual charter school. Epic Charter Schools (ECS) enrolls students throughout the school year. ISOK, ABLE Charter School, Oklahoma Connections Academy (OCA), and OVCA have deadlines for enrollment that vary depending on the school. ISOK has maintained an enrollment under 420 students each school year, though the governing board would like to see this enrollment increase. K12 provides projections of enrollment each year and the associated costs related to staffing, technology, and curriculum.

**Exhibit 3-8
Virtual Charter Schools’ Fall Enrollment**

School Year	ISOK	ABLE	ECS	OCA	OVCA
2014-2015	281	NA	4,370	955	2,518
2015-2016	346	55	6,037	1,118	2,400
2016-2017	414	59	9,077	876	2,429

Source: SDE, OCAS Reports; 2016 Fall Enrollment Figures

COMMENDATION

ISOK limits enrollment each school year to control growth and expenditures while focusing on student achievement.

FINDING 3-4

Although the ISOK governing board, K12 national and local leadership, and the local treasurer have input into the budgetary planning process, other local stakeholders do not. The budget is presented at a local governing board meeting, but parents and staff are not involved in the process. Unlike other public schools, ISOK school staff are not employees of the school district, and parents may not live close to board meeting sites. As a result, local stakeholder involvement may naturally be limited.

Exhibit 3-9 below shows the responses from 35 ISOK staff regarding the budgetary process. Over half had *no opinion* or *disagreed* with the statement, “Virtual charter academy stakeholders are invited to provide input into the budgetary process.” This may show that many staff are unaware of the process, and some do not believe the statement to be true.

**Exhibit 3-9
Staff Survey Results Related to the Budgetary Process**

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Virtual charter academy stakeholders are invited to provide input into the budgetary process.	4%	41%	34%	21%	0%

Source: OEQA - ISOK Survey Results (2016)

RECOMMENDATION

Include local stakeholders in the budgetary process.

Though charter schools are not required to follow the School District Budget Act (Title 70 O.S. § 5-155) it does, “make available to the public and investors sufficient information as to the financial conditions, requirements, and expectations of the school district.” The ISOK governing board could communicate with parents via various media regarding the budgetary process and hold an informational meeting and elicit input or ask for input electronically. Though teaching staff are K12 employees, they are Oklahoma residents and sometimes parents of ISOK students. Thus, ISOK teaching staff may also be included. The net result should be more transparency, communication, and input regarding the process.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 3-5

ISOK does not have a target for carryover amounts each year. The governing board does not use all revenues for its services agreement with K12; some funds are retained to pay for local needs. K12 does not dictate a carryover amount in its services agreement and currently protects ISOK from revenue deficits.

Title 70 O.S. § 3-142 states regarding charter schools, “Any unexpended funds may be reserved and used for future purposes.” **Exhibit 3-11** shows carryover amounts from school years 2014-15 to 2016-17. The ISOK carryover amount has increased each year. For 2016-17, ISOK carried over less than one percent (1%) of its 2015-16 revenue.

**Exhibit 3-11
Carryover Amounts by Year**

Entity	2014-15	2015-16	2016-17
ISOK	\$0*	\$1,085	\$10,254

Source: SDE, OCAS Reports; 2016 Audited Financial Statements

** First Year of Operation*

RECOMMENDATION

Develop a target amount for carryover each year.

Virtual charter schools receive their initial State Aid allocation based on August 1st enrollments each year and a fixed ADM weight of 1.333. These schools must wait until the midyear adjustment to receive their full weighted ADM for all students on their rosters between August 1st and October 1st. With less revenue to expend between August and January, it is in the best interest of the virtual charter schools to maintain a healthy end-of-year fund balance to carry over into the next school year.

The governing board should develop a target amount for carryover each fiscal year. This amount can be determined during the budgetary planning process with consultation with K12 and other district stakeholders. This may result in a change to the services agreement.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 3-6

K12 does not have an adopted salary schedule for the teaching staff it provides for ISOK. Employees are hired and paid within a certain range based on status (e.g. full-time or part-time) experience, expertise, and need. Raises are sometimes given but vary based on multiple factors. For example, the ISOK teaching staff provided by K12 were paid between \$2,000 and \$48,000 during the 2015-16 school year, with many teachers paid between \$26,000 and \$44,000.

K12 provides Oklahoma certified staff to ISOK, and these staff live in Oklahoma. Charter schools are not required to follow the state's minimum teaching salary requirements; thus, charter school teachers can be paid below or well above state minimums. However, most charter schools seek to be competitive in regard to teacher salaries with the traditional public schools.

Exhibit 3-12 below shows the responses from 35 ISOK staff regarding the salary schedule and payment of stipends. A majority of the respondents agree that they understand the salary schedule and justification for payment of performance stipends. These results show that though a salary schedule is not adopted most staff members understand their contract and salary justification.

Exhibit 3-12
Staff Survey Results Related to Salary and Performance Stipends

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
I understand my contract with this virtual charter school as it relates to my salary schedule and benefits or justification for paying performance stipends (if applicable).	23%	73%	3%	0%	0%

Source: OEQA – ISOK Survey Results (2016)

RECOMMENDATION

ISOK should work with K12 to develop a salary schedule for its Oklahoma-based teaching staff.

ISOK desires to provide its students with the most qualified teaching staff available. Interviews showed that K12 has not had difficulty in filling positions for ISOK. Still, a detailed salary schedule may help fill positions and retain staff in the future. The ISOK governing board should work with K12 leadership to develop a salary schedule for Oklahoma certified and based teaching staff that would be competitive and logical in its implementation.

FISCAL IMPACT

This recommendation may have an impact on K12 staff salaries and thus impact the fees paid by ISOK to K12 as part of the services agreement.

FINDING 3-7

ISOK currently identifies less than 3% of its students as Gifted and Talented (GT). Oklahoma mandates educational services for GT students, and ISOK has an SDE approved plan to serve GT students. The state provides funding through the State Aid Formula by assigning a certain percentage of GT identified students a weight of .34.

70 O.S. § 18-201.1 states, "...the number to be multiplied by the weight assigned to the gifted category ... shall be the lesser of (1) the sum of the number of students who scored in the top three percent (3%) on any national standardized test of intellectual ability plus the number of students identified as gifted... [by multiple criteria: (a) creative thinking ability; (b) leadership ability; (c) visual performing arts ability; and (d) specific academic ability] ...or (2) the sum of the number of students who scored in the top three percent (3%) on any national standardized test of intellectual ability plus eight percent (8%) of the total average daily membership of the school district for the first nine (9) weeks of the school year."

State law allows an unlimited number of students to be counted as GT provided the students score in the top three percent (3%) of a nationally standardized intellectual ability test. Districts can also identify and receive State Aid for an additional eight percent (8%) of its students that are identified as GT through multiple criteria. Any students identified must be served.

RECOMMENDATION

Identify more GT students to receive increased funding while providing services to these GT students.

ISOK has an approved plan to serve GT students. The school has the capacity to provide services to these students. The school, via K12 staff, should identify more GT students using multiple criteria and intellectual ability tests. This will lead to increased State Aid funding and services provided to more identified students.

FISCAL IMPACT

This recommendation may take additional resources to implement but could lead to an increase in funding. For example, ISOK’s estimated 2016 fall enrollment was 316. Eight percent of the fall enrollment is 25 students. The state’s foundation aid amount was \$3,046 in August 2016. The GT weight is .34. Identifying just 8% of the fall enrollment as GT would lead to an additional \$25,891 in State Aid ($25 \times .34 \times \$3,046 = \$25,891$).

Recommendation	2017-18	2018-19	2019-20	2020-21	2021-22
Identify more GT students	\$25,891	\$25,891	\$25,891	\$25,891	\$25,891

FINDING 3-8

ISOK does not have dedicated staff to seek out and apply for grants. Interviews showed that some grants are applied for and received, but the method and process is ad hoc. Staff members become aware of grant opportunities and apply. However, there is not a process to actively seek out grants and apply for them. As a newly designated alternative education site, ISOK may qualify for specific grant opportunities.

Grants can often bring in funds and materials to schools. Some grants require rigorous reporting and monitoring while others only require simple follow-up. The state and federal governments offer grant opportunities on a regular basis. Local and national businesses and nonprofits also award grants to schools yearly. In times of budget difficulties, grants can help schools implement needed programs and provide funding for services.

Exhibit 3-13 below shows the responses from 35 ISOK staff regarding grant applications and opportunities. A vast majority of the respondents have no opinion about whether the school actively applies for grants. Twenty percent, however, agree that the school does apply for grants, which may be the staff impacted by particular grants the school has received.

**Exhibit 3-13
Staff Survey Results Related to Grants**

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
The virtual charter academy actively applies for competitive state/federal grants and other grant opportunities.	0%	20%	76%	3%	0%

Source: OEQA – ISOK Survey Results (2016)

RECOMMENDATION

Employ a part-time grant writer to seek, apply for, and monitor grants from local, state, and national entities.

ISOK should employ an individual on a part-time basis or include the position in the services agreement with K12. This individual could also share the position with OVCA. This person could search out grant opportunities through government agencies, local businesses, and local and national nonprofits. After determining whether the school could benefit from the grants, the person could apply for the grants, and if awarded, monitor the grants’ implementation and reporting. Monitoring grant implementation, reporting, and funds is typically a requirement of any grant, and often is an overlooked responsibility.

FISCAL IMPACT

This recommendation may come at a cost initially, but administration costs can typically be written into the grant applications and can be used to pay, at least partially, for the cost of this position.

B. PURCHASING

Purchasing in a school district is performed by the district encumbrance clerk, and the encumbrance clerk cannot be a board member, administrator or teacher employed by the district. An encumbrance clerk is a support employee that should have a definite job description and defined job duties as established by the superintendent and local board of education. The following are job duties and responsibilities of a typical encumbrance clerk:

- Keep district financial records and associated documents;
- Enter received appropriations in the appropriate account record(s);
- Complete requisitions and receive approval according to district procedures;
- Upon requisition approval, encumber funds accordingly and generate purchase orders for approval and issuance;
- Verify receipt ordered of goods and services from receiving employee by signed invoice or affidavit;

- Receive bill for goods or services into the record, verify bill amount against invoice and/or statement amount;
- Pay the billing vendor from encumbered funds by following district procedures for payment approval and warrant issuance; and,
- Reconcile district deposit and payment records against account records maintained by bank.

Exhibit 3-14 below shows the responses from 35 ISOK staff regarding the perception of district administrators’ and board members’ compliance with policies, procedures, laws, and regulations. A majority of the respondents *agree* with the survey statement. A small percentage of respondents have *no opinion* or *disagree* with the survey statement. Though the perceptions are not specific to business operations, they do provide insight into the overall operations of ISOK.

Exhibit 3-14
Staff Survey Results Related Compliance with Policies, Procedures, etc.

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Our virtual charter academy’s administrators and district board complies with all policies, procedures, laws, and regulations.	47%	43%	7%	3%	0%

Source: OEQA - ISOK Survey Results (2016)

FINDING 3-9

ISOK has clear purchasing procedures in place. Purchasing is handled at the local level and at the regional and national level by K12. Encumbrances, purchase orders, invoices, and receipts are reconciled in a timely and organized manner. Each purchase requires multiple signatures. Little cash and few checks are typically handled at the local level and mainly when dealing with the activity fund subaccount.

ISOK has written fiscal policies and procedures. These policies and procedures are articulated in a document called, *Insight School of Oklahoma Fiscal Policies & Procedures*. These written policies and procedures include internal control practices, encumbrance policies, procurement policies, purchase thresholds, and inventory procedures. This document has been updated, most recently in November 2016. Interviews determined that purchasing procedures are defined and followed.

ISOK also has a board adopted policy for the activity fund, which was revised in November 2016. The activity fund subaccount is defined in a document dated 2016-17 and includes guidelines and approved fundraisers. This activity fund subaccount listed is for Student Outings/Events.

ISOK's Audited Financial Statements dated June 30, 2016 states, "during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses." The audit from 2015 affirmed this situation as well.

COMMENDATION

ISOK has written purchasing procedures, which are followed by pertinent staff.

C. ASSET AND RISK MANAGEMENT

Asset management involves managing the district's cash resources and physical assets in a cost effective and efficient manner. Effective cash and investment management involves accurately forecasting cash requirements (both amount and date) so that funds may be made available when they are needed. Effective asset management involves the safeguarding of property from loss, damage, theft, and obsolescence. Proper safeguarding of district assets requires an effective system of accountability and a culture of adherence to established policies and procedures.

OAC 210:40-87-6 states, "Each charter school shall be required to furnish and maintain liability insurance coverage and fidelity bonding of the same terms, conditions, types and amounts required of public schools under Oklahoma law...Charter school officers and/or employees shall be required to furnish and maintain surety bonds with the same terms, conditions, penalty, types and amounts required of public school officers and/or employees under Oklahoma law."

ISOK's auditors stated in June 2016, "The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School continues to carry commercial insurance for these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years." It should be noted that ISOK was only in operation for two years when this report was written.

Title 70 O.S. § 5-116a states, "The superintendent and any financial officer of a school district shall be required to furnish a surety bond in the penal sum of not less than One Hundred Thousand Dollars (\$100,000.00) or an amount otherwise set by law or set by the State Board of Education, to be approved as provided by law, and to assure the faithful performance of the duties of the covered officer and employees." The school's auditors found in June 2016 that the Superintendent, in this case the Head of School, and Treasurer maintained a bond of \$100,000 each. The Encumbrance Clerk maintained a bond for \$50,000. The Activity Fund Custodian and Minutes Clerk each maintained a bond of \$10,000.

FINDING 3-10

ISOK and K12 keep an accurate inventory of hardware, phones, and other office items. Inventory procedures are documented, and interviewees explained the process in detail. Teaching staff are provided laptops, phones, and printers through ISOK. Some students receive laptops directly from K12.

Though K12 manages both OVCA and ISOK, each school has its own separate inventory. A database with multiple fields is kept up-to-date. Barcodes, purchase order numbers, and purchase identification numbers are recorded in the database. An annual visual inspection is made of each laptop to make sure it is in the possession of the correct individual. Quarterly inventory checks are also performed.

Upon leaving employment or not reenrolling, teachers and students are to return their laptops and other equipment. If the laptop is not returned, it can be disabled remotely. Any unreturned items are recorded as lost in the inventory database.

COMMENDATION

ISOK maintains accurate and detailed inventory lists of laptop computers, phones, and related hardware.

FINDING 3-11

Interviews with the school's treasurer determined that ISOK's investments are short-term and typically in certificates of deposit. These investments pose almost no risk but offer very little reward. The independent auditor's report dated June 2016 states, "The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates." The audit further found that the school did not have any investments as of June 30, 2016.

The current ISOK investment policy states, "The Head of School or his/her designee shall invest funds as provided in 70 O.S. 2000 § 5-115, 70 O.S. 1991 § 15-108 and 62 O.S. 1991 § 562." Title 70 O.S. § 5-115 states, "Investments by the treasurer shall be made in accordance with a written policy adopted by the board of education. The written investment policy shall address liquidity, diversification, safety of principal, yield, maturity, quality of the instrument, and capability of investment management. Acting within the investment policy, the treasurer shall place primary emphasis on safety and liquidity in the investment of funds."

RECOMMENDATION

Review the investment policy and add language, if necessary, to increase investments and their returns.

Though school districts are limited on their investment options by law (Title 70 O.S. § 5-115), maximizing the rates of return can assist districts in generating revenue. The current investment policy should be reviewed and updated to maximize returns. Increasing investments and limiting the amount of time funds are invested in low-risk and low-reward products could generate additional revenue, as interest rates begin to rise in the future.

FISCAL IMPACT

This recommendation can be implemented with existing resources and may generate additional revenue.

FINDING 3-12

The audited financial statements dated June 30, 2016 and completed by Jenkins and Kemper references state funding passing through the Choctaw-Nicoma Park School District. Though Oklahoma Virtual Charter Academy was sponsored by this Oklahoma school district at one time, ISOK has always been sponsored by the Statewide Virtual Charter School Board.

These references may be a simple oversight in the yearly completion of the audited financial statement because Jenkins and Kemper audit both virtual charter schools, OVCA and ISOK. Both virtual charter schools also have service agreements with K12. However, references to school districts that were not sponsors of the school can lead to confusion and misunderstandings by stakeholders.

RECOMMENDATION

Work with the school's auditors to correct any references to incorrect sponsors.

Annual audits are required of public schools, including charter schools. These audits are submitted to state agencies and used by stakeholders to make informed decisions about school districts. Any incorrect references in these audits could lead to misconceptions and inaccuracies regarding funding.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4:

Facilities Use and Management

Chapter 4

Facilities Use and Management

This chapter addresses the facilities use and management of Insight School of Oklahoma (ISOK) in the following sections:

- A. Facilities Planning and Construction
- B. Maintenance and Custodial Operations
- C. Energy Management
- D. Safety and Security

Facilities use and management includes the planning, construction, and maintenance of buildings, the safety of students and staff using those buildings, and the security of facilities before, during, and after school hours. More specifically, this area includes the following:

- planning and designing facilities to meet educational standards and to provide a physical framework that enhances learning conditions;
- properly maintaining and cleaning facilities so that teaching and learning can take place in a healthy and clean environment;
- ensuring that the facilities are safe when students and teachers are present;
- creating proper safeguards to ensure the security of the facilities after school hours; and
- having safety plans in the event of a crisis or natural disaster so that students and staff members are protected.

Background

ISOK was founded in 2014 and is authorized by the Oklahoma State Virtual Charter School Board. ISOK is Oklahoma's smallest Virtual Charter School with an enrollment that has stabilized at about 300 students in grades seven through 12. Their mission has always been to serve at-risk youth, and in 2017 they were authorized to officially operate as an alternative school.

ISOK's headquarters is in Midwest City, OK, but their students are located in cities and towns across the state of Oklahoma. Midwest City is located east of Oklahoma City and north of Tinker Air Force Base. ISOK operates from one subleased facility in the Regional Square office park. The headquarters facility is a commercial office suite which includes administrative offices, support staff pool area, conference room, board room and various support facilities. These facilities are modest from the outside, but their interior accommodations are flexible and well suited for the school administration's needs (**Exhibits 4-1 through 4-6**).

ISOK's headquarter facilities is a subleased property. ISOK has an agreement with the Oklahoma Virtual Charter Academy (OVCA) and this contract includes prorated provisions for office space rent, utilities and custodial care.

Oklahoma Administrative Code allows up to nine hours of face-to-face instruction between a virtual charter school teacher and student. This instruction can occur at the student's residence or an approved facility. Currently, ISOK staff does not meet face-to-face with any students except during testing and on field trips.

Exhibit 4-1
Insight School of Oklahoma Headquarters in Midwest City, OK



Source: Prepared by OEQA from GoogleEarth, 2016

Exhibit 4-2
ISOK's Headquarters in Midwest City, OK



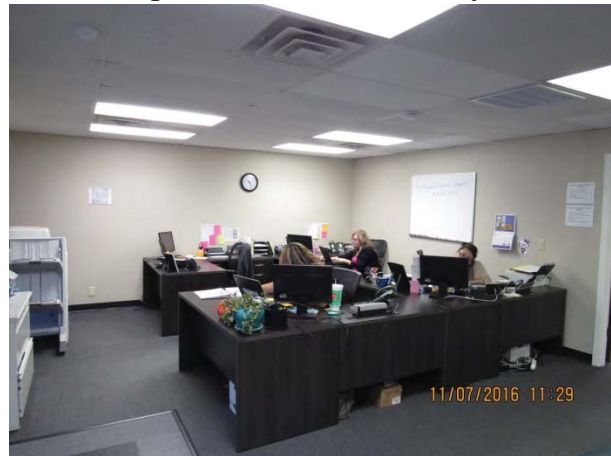
Source: OEQA, January 2017

Exhibit 4-3
Entrance Lobby for ISOK's
Headquarters in Midwest City, OK



Source: OEQA, November 2016

Exhibit 4-4
Support Staff Pool Area in ISOK's
Headquarters in Midwest City, OK



Source: OEQA, November 2016

Exhibit 4-5
Conference Room in ISOK's
Headquarters in Midwest City, OK



Source: OEQA, November 2016

Exhibit 4-6
Support Facilities in ISOK's
Headquarters in Midwest City, OK



Source: OEQA, November 2016

A. FACILITIES PLANNING AND CONSTRUCTION

Well-planned facilities are based upon the educational program and on accurate student enrollment projections. The design process should have input from stakeholders including administrators, principals, teachers, security specialists, parents, students, and the maintenance and operations staff.

Having a long-range facilities master plan will ensure that building projects are prioritized, begun, and completed according to a studied, developed, and logical process. As administrators,

faculty, staff, and school board members change, having a long-range facilities master plan will add stability and cohesiveness to the district's construction, use, and management of facilities.

A school district's long-range facilities master plan is a compilation of district policies, information, and statistical data that provide a basis for providing educational facilities to meet the changing needs of a wide range of students. A valuable resource in developing a quality long-range facilities master plan can be obtained from the Council of Educational Facility Planners International (CEFPI).¹

FINDING 4-1

The governing board of ISOK has hired K12, Inc. as a management company to operate ISOK. The governing board of ISOK does engage in strategic master planning for ISOK and though they only meet six times per year, they do receive monthly advisement from the Head of School. These monthly reports discuss enrollment counts and plans for the accommodation of students for the year's state testing program through the leasing of facilities in a number of locations across the state.

COMMENDATION

ISOK's governing board and the Head of School engage in strategic master planning.

B. MAINTENANCE AND CUSTODIAL OPERATIONS

The objective in maintaining and cleaning school facilities is to provide safe and cost-effective buildings, a sound educational environment, increased longevity of buildings and equipment, and the protection of school property. The efficient and effective maintenance and cleaning of school facilities provides a safe and secure environment that supports the educational program and reflects proper stewardship of district resources.

Efficiencies and economies of maintenance and cleaning are critical to ensure that resources for direct instruction are maximized. However, extreme actions to reduce the cost of maintenance and cleaning can result in higher than acceptable costs of repair and replacement in the years to come. Consequently, a balance must be achieved between reasonable economies and irresponsible cost-cutting.

Maintenance

The proper maintenance of facilities is critical to ensuring support for an effective instructional program. Research has shown that appropriate heating and cooling levels, building and room appearances, the condition of restrooms and other facilities, as well as occupant safety, all impact how students and staff members are able to carry out their respective responsibilities.

¹ Council of Educational Facility Planners International. (2004). *Creating Connections: The CEFPI Guide for Educational Facility Planning*. Contact Edi Francesconi to purchase a copy (phone number is 480.391.0840).

Ineffective or inadequate maintenance provisions have proven to lead to increased costs of facility operations by shortening the useful life span of equipment and buildings. Many school districts have adopted rigorous preventive maintenance programs. They maintain a record of the performance of equipment and the costs of regular maintenance in order to measure the effectiveness of these programs.

Custodial Operations

Safe, clean, and sanitary facilities are essential elements of the education environment. School systems across the United States use different means to address these elements. Typically, school boards either contract out (outsource) custodial services or organize a comprehensive in-house system of services. Personnel may be employed by either the outsourced company or the school board.

Management responsibility, if the program is completely in-house, may reside partially or wholly with the central office, the individual school, or housekeeping/custodial department. Determining the desired structure usually involves a number of criteria, including minimizing costs to the school district, improving services to schools, and reducing (or increasing) the span of control of district or school-based administrators.

Levels of cleanliness in facilities need to be defined by district staff with community input. Although not a nationwide standard, the following criteria have been advanced to assist in those decisions:

- Level 1 cleaning results in a “spotless” building, as might normally be found in a hospital environment or corporate suite. At this level, a custodian with proper supplies and tools can clean approximately 10,000 to 11,000 square feet in an eight-hour period.
- Level 2 cleaning is the uppermost standard for most school cleaning, and is generally reserved for restrooms, special education areas, kindergarten areas, or child nutrition areas. A custodian can clean approximately 18,000 to 20,000 square feet in an eight-hour shift.
- Level 3 cleaning is the norm for most school facilities such as hallways, general purpose classrooms and administrative offices. It is acceptable to most stakeholders and does not pose any health issues. A custodian can clean approximately 28,000 to 31,000 square feet in eight hours.
- Level 4 cleaning is not normally acceptable in a school environment. Classrooms would be cleaned every other day, carpets would be vacuumed every third day, and dusting would occur once a month. At this level, a custodian can clean 45,000 to 50,000 square feet in eight hours.
- Level 5 cleaning can rapidly lead to an unhealthy situation. Trash cans might be emptied and carpets vacuumed on a weekly basis. One custodian can clean 85,000 to 90,000 square feet in an eight-hour period.

FINDING 4-2

The Head of School and the Operations Manager prorate their time and duties between ISOK and OVCA and serve as both school's liaisons to the landlord/property manager of the leased headquarters.

ISOK's headquarters facility, located at 1156 S. Douglas Blvd. in Midwest City, is a leased and managed facility from the Douglas Development Corporation. While it is assuring to know that the leased property is being "managed" it would be unwise for ISOK/OVCA to think it has no role in the maintenance or management of the property. The concerns cited under Safety and Security later in this chapter show the need for increased attention by ISOK/OVCA personnel and additional communication with the property landlord/manager by ISOK/OVCA personnel acting in a liaison capacity.

RECOMMENDATION

Outline landlord liaison duties in order to improve and maintain staff and building safety.

While maintaining building safety and upkeep is not the responsibility of ISOK proper (these duties are the responsibility of the landlord's property manager), ISOK is still responsible for the safety and welfare of its employees and visitors and should keep a "watchful eye" with regard to building safety and upkeep. Unsafe or unkempt situations should be noted and reported to the landlord property manager by whatever school staff members are assigned liaison duties. The liaisons should then make note when and if these items are attended to by the landlord/property manager.

If ISOK/OVCA personnel were to pursue a best practice in this area, then the liaison would conduct a routine maintenance and custodial building inspection once or twice a year. This would ensure that the subleased facilities are being well-kept and are in good repair. Maintenance and custodial checklists abound on the internet, and a sample checklist is provided in **Exhibit 4-7**, below.

**Exhibit 4-7
Sample – Maintenance & Custodial Checklist**

Maintenance				Custodial Checklist			
Rooms and Offices	OK	Not OK	Comment	Bathrooms	OK	Not OK	Comment
Ceiling				Ceiling			
Lights (ballasts and covers)				Lights			
HVAC supply and return vents				Exhaust Fan			
Walls				Walls			
Blinds				Shelves			
Windows and screens				Counter Tops			
Black boards and marker boards				Sink / Faucets			
Lockers and shelves				Soap Dispensers			
Trash / Recycle Can				Towel Dispensers			
Sinks and counter tops				Partitions			
HVAC filters				Partition Doors			
Floors				Tissue Dispensers			
Furniture				Trash / Recycle Can			
Glides on desks and chairs				Blinds / Shades			
Doors (frame, glass, hinges, knobs)				Mirrors			
Maps, bulletin boards, and screens				Windows / Locks			
Ledges and all horizontal surfaces				Doors & Glass			
Hallways	OK	Not OK	Comment	Floors			
Ceiling				Floor Drains			
Lights (ballasts and covers)				Baseboards / Corners			
HVAC supply and return vents				Heating System			
Walls				Toilets / Valves			
Blinds				Urinals / Valves			
Windows and screens				Sanitary Dispensers			
Emergency egress lights							
Fire extinguishers							
Fire doors							
Exit signs							
Water fountains							
Lockers and shelves							
Bulletin boards							
HVAC filters							
Floors							
Mats and walk-off rugs							
Doors (frame, glass, hinges, knobs)							

Source: OEQA

FISCAL IMPACT

This recommendation can be implemented with existing resources.

C. ENERGY MANAGEMENT

General energy consumption can be one of the most expensive operational items of a school. Due to the large infrastructure required for education, schools use large quantities of electricity, natural gas and water. Significant savings can be achieved by implementing an energy management program that reduces utility consumption.

Energy management programs can be implemented in a wide variety of ways, from hiring full-time energy managers to sending out simple shut-down reminders before school dismissal or before a break. One of the most beneficial practices of energy management is the recording of monthly utility bills and the communication of use and costs to the general staff. Tracking utility use can give a bird's eye view of how much each school facility is spending on its utilities compared to other school facilities. The energy manager can then target the most extensive and/or expensive utility use and work to reduce consumption. This communication helps foster awareness of the expenses of running a school and lead attention to energy conservation measures by both students and staff.

The American Society for Hospital Engineers (ASHE) has developed a list of ten components necessary for a successful energy management program. Although this list was originally intended for hospital organizations, it is applicable to all energy management programs. As recommended by ASHE, the items to consider are:

1. Measure/benchmark current energy consumption.
2. Develop an energy use profile.
3. Complete a greenhouse gas emissions inventory.
4. Build teams, get leadership support, and assign dedicated resources.
5. Set targets/goals.
6. Develop strategic action plans for improvement.
7. Consider adopting a strategic energy management plan.
8. Implement projects.
9. Track, measure, report.
10. Train, educate, and celebrate.

The Association of School Business Officials (ASBO), in their publication *Planning Guide for Maintaining School Facilities*² suggests that the following guidelines will help a school system accomplish more efficient energy management:

- Establish an energy policy with specific goals and objectives.
- Assign someone to be responsible for the district's energy management program and give this energy manager access to top-level administrators.
- Monitor each building's energy use.
- Conduct energy audits in all buildings to identify energy inefficient units.
- Institute performance contracting (i.e., contracts requiring desired results rather than simply a list of needed products) when replacing older, energy inefficient equipment.

² Available at <http://nces.ed.gov/pubs2003/2003347.pdf>

- Reward employees of schools or buildings that decrease their energy use.
- Install energy efficient equipment including power factor correction units, electronic ballasts, high-efficiency lamps, set-back thermostats, and variable-speed drives for large motors and pumps.
- Install motion detectors that turn lights on when a room is occupied and off when the room is unoccupied.

Additional information about energy management can be found through the National Clearinghouse for Educational Facilities' Energy Page³ which provides a list of links, books, and journal articles on various methods of heating, cooling, and maintaining new and retrofitted K-12 school buildings and grounds.

FINDING 4-3

The landlord for ISOK/OVCA's leased property does employ some components of an energy management program (EMP) such as set-back thermostats and low-volume flush toilets (Exhibits 4-8 through 4-9).

Exhibit 4-8

Use of Set-Back Thermostats can Conserve Energy & Save Money for ISOK/OVCA



Source: OEQA, May 2016

Exhibit 4-9

Low-Volume Flush Toilets can Conserve Water & Save Money for ISOK/OVCA



Source: OEQA, May 2016

COMMENDATION

The landlord for ISOK/OVCA's leased property does employ some components of an energy management program (EMP) such as set-back thermostats and low volume flush toilets.

³ Available at <http://www.ncef.org/rl/energy.cfm>

FINDING 4-4

ISOK/OVCA headquarters occupies two adjoining suites (1156 and 1160) in a commercial facility called Regional Square located in Midwest City, OK. Even though suites 1156 and 1160 are now adjoined, they are still being supplied by two separate Midwest City water meters. ISOK/OVCA has one meter supplying one bathroom and a second meter supplying one bathroom and a small kitchen. For each meter ISOK/OVCA regularly pays a minimum billing amount for water plus a host of other fees that are meter-based. As an example, for the service period of 8/26/16 through 9/26/16, ISOK/OVCA paid the following two bills:

Account # xxxxxx-xxx68		Account # xxxxxx-xxx70	
Meter # xxxxxx95		Meter # xxxxxx98	
Water Use (gallons):	1,000	Water Use (gallons):	1,000
Water Service:	\$7.25	Water Service:	\$7.25
Sewer Service:	\$9.76	Sewer Service:	\$9.76
Northside Sewer:	\$1.80	Northside Sewer:	\$1.80
Sanitation Service (trash):	\$47.57	Sanitation Service (trash):	\$47.57
Drainage Fee:	\$7.00	Drainage Fee:	\$7.00
Stormwater Fee:	\$2.42	Stormwater Fee:	\$2.42
Street Light Fee:	\$7.50	Street Light Fee:	\$7.50
TOTAL CHARGES:	\$83.30	TOTAL CHARGES:	\$83.30

RECOMMENDATION

Request the landlord to rework the plumbing in the “wet-wall” for the bathroom in suite 1156 so that it is supplied by the same water service as the restroom in suite 1160 and then turn off the water meter serving suite 1156.

Turning off the water meter serving suite 1156 and reworking the plumbing so that both bathrooms and the kitchen receive water from the same water meter will save ISOK by not having duplicated minimum water service and sewer service payments. Moreover, by shutting off the meter, they should also save by not having duplicated payments for various surface water drainage fees and street lights. Unfortunately, ISOK currently splits the cost of a single trash pick-up between the two bills, so that charge would remain the same. Lastly, the City of Midwest City reports that the water to suite 1156 would not simply be turned but rather the meter would be removed and a reinstallation fee would then be charged if and when the meter is again needed.

FISCAL IMPACT

The one-time cost to physically re-plumb the two adjacent bathrooms should not exceed \$500 while the re-plumbing so as to eliminate the use of one water meter will be an ongoing savings (\$35.73 per month x 12 months per year = \$428.76 savings per year)

Recommendation	2017-18	2018-19	2019-20	2020-21	2021-22
Turn off one water meter and rework bathroom plumbing.	(\$71.24)	\$428.76	\$428.76	\$428.76	\$428.76

FINDING 4-5

The combined management staff of ISOK/OVCA does not have a person charged with basic energy management duties. As was the case for maintaining building safety, for whatever administrative staff member takes on the energy management duties, such duties should be added as part of their job description.

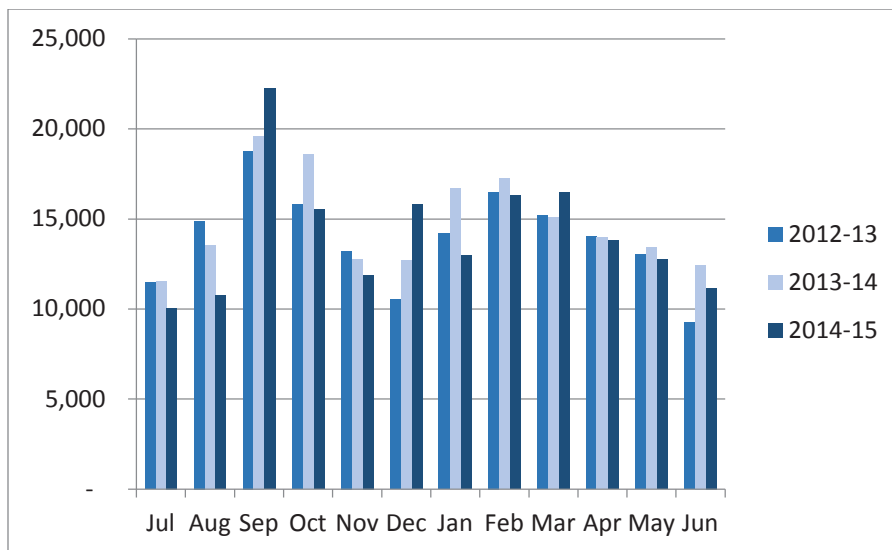
RECOMMENDATION

The combined management staff of ISOK/OVCA should task an employee to oversee the basic energy management of the main headquarters and include guidelines within their existing job description.

Primary duties should include keeping a running record and chart of each monthly utility bill in an effort to detect billing errors, equipment malfunction, to lower energy use and create a culture of conservation. Billing errors occur more often than expected and equipment malfunctions can lead to costly and senseless energy waste.

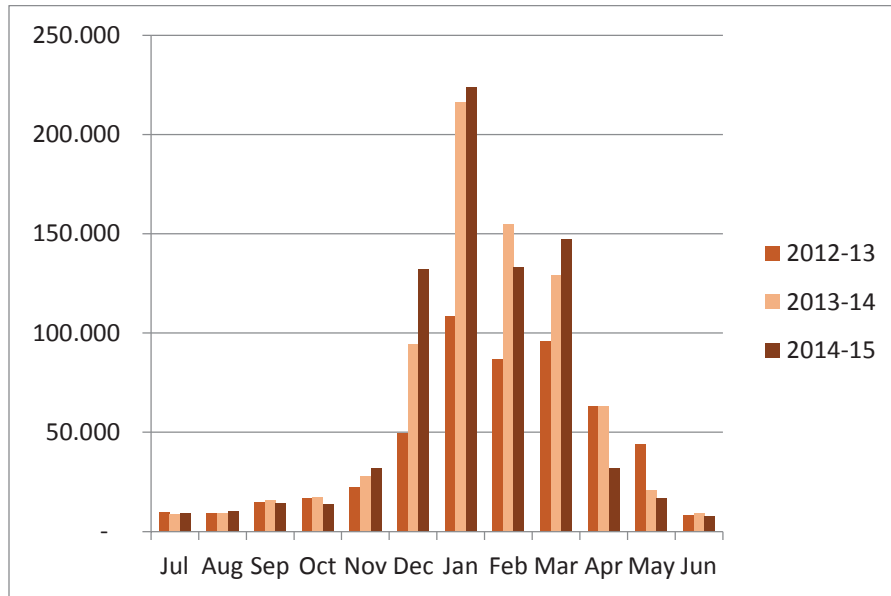
The running record and charting of monthly utility bills will provide management with a month-to-month comparison that should show seasonal “ebbs and flows” in the consumption of various types of energy. The recording and charting should go back at least one year (preferably three to five years) so as to allow for “same-time-previous-year” comparisons (**Exhibit 4-10** and **4-11**).

Exhibit 4-10
Sample - Electrical Consumption by Month



Source: OEQA Review Archive

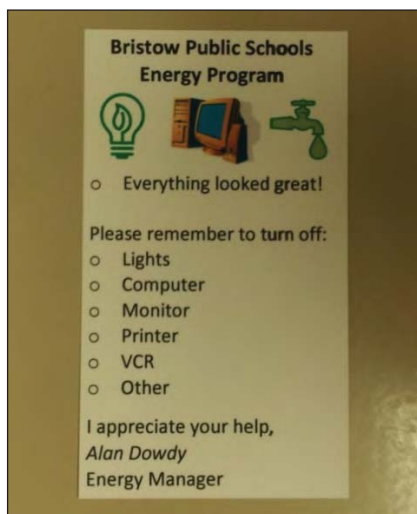
Exhibit 4-11
Sample - Natural Gas Consumption by Month



Source: OEQA Review Archive

Taken one step further, as a best practice, this person could also leave energy conservation reminders or “Oops Slips” (Exhibits 4-12 and 4-13) whenever they discover that room lights, computer monitors or other electronic devices are left on by students or staff.

Exhibit 4-12
Energy Saving Remeinder Sticker from Bristow Public Schools



Source: Bristow Public Schools, April 2012

Exhibit 4-13
Generic Energy Saving Reminder Sticker



Source: www.awarenessideas.com, April 2016

FISCAL IMPACT

This recommendation can be implemented with existing resources.

D. SAFETY AND SECURITY

Today, more than ever, school districts are expected to provide a safe and secure environment for their students and staff. While districts are largely insulated from violent crime, it is the few incidents of violence at schools that draw national attention. School districts must take proactive measures in safety and security even in incident-free schools. Students, teachers, and other district employees deserve a safe school environment in which to work and learn.

In 2003, Homeland Security Presidential Directive-5 (HSPD-5) initiated the development of a National Incident Management System (NIMS) and requires its use by public sector agencies, including school districts. The intent of this system is to provide a common template and language for responding organizations to work together in preventing, preparing for, responding to, and recovering from incidents. As noted by FEMA, NIMS represents “a core set of doctrine, concepts, principles, terminology, and organizational processes that enables effective, efficient, and collaborative incident management”.

NIMS emphasizes that true preparedness requires a commitment to continuous review and improvement. Most districts understand the continuous nature of emergency management, as well as the four phases that comprise the process circle (**Exhibit 4-14**).

Exhibit 4-14
Continuous Process of Emergency Management



Source: The Office of Safe and Drug Free Schools' Practical Information on Crisis Planning: A Guide for Schools and Communities, January 2007

The Oklahoma Commission on School Safety, which was put together in response to the Newtown, Connecticut school shootings, submitted a number of recommendations to the Oklahoma Legislature. Based upon the commission’s recommendations, the Legislature passed four new laws. Among other things, the laws require schools to update their safety plans every year and have frequent “intruder drills,” with students taking cover while the doors are locked and the windows covered. The state also created a new Oklahoma School Security Institute to provide threat assessment to schools and assist them in keeping policies up to date.

Safety

FINDING 4-6

The fire extinguishers in the administration building for ISOK/OVCA have a number of problems that should be corrected for the safety of building occupants and visitors. Problems were discovered during OEQA’s walk-through of the administration building.

During the walk-through, it was noted that one of the extinguishers had not received its yearly “maintenance” inspection (**Exhibit 4-15**) and none of the extinguishers had received their monthly “visual” inspection (**Exhibit 4-16**).

Exhibit 4-15
Hand-Held Fire Extinguisher at ISOK/OVCA has Not Received Its Yearly Inspection



Source: OEQA, May 2016

Exhibit 4-16
Hand-Held Fire Extinguisher at ISOK/OVCA has Not Received Its Monthly Inspection



Source: OEQA, May 2016

RECOMMENDATION

Request that the landlord assign a capable maintenance person to make monthly inspections of the hand-held fire extinguishers.

When contacting the landlord to request monthly inspections of the fire extinguishers, it is imperative that ISOK/OVCA request that an inspection be made of the ISOK/OVCA administration building’s hand-held fire extinguisher that was missed in the previous inspection. Also be sure to secure a copy of the annual inspection report for ISOK/OVCA records.

NFPA 10 - *Standard for Portable Fire Extinguishers*, addresses the various inspections required of hand-held fire extinguishers. A visual inspection is required upon installation and then again every month. The monthly visual inspection should include:

- Extinguishers are in their designated places;
- There are no obstructions to access or visibility;

- Safety seals are not broken or missing;
- There is no evidence of physical damage, corrosion, leakage or clogged nozzle;
- Pressure gauge readings are in the proper range or position;
- Operating instructions are legible and facing outward; and
- Fullness is confirmed by weighing or lifting. (the heft test)

The yearly maintenance inspection requires a more thorough examination and is also required when extinguishers undergo hydrostatic testing. Maintenance is required to include a thorough examination of the mechanical parts, extinguishing agent and expelling means of each portable fire extinguisher and, therefore, must be performed by an approved extinguisher servicing company.

Finally, NFPA 10 recommends that, as a best practice, a permanent record be kept for each extinguisher that includes at least the following information:

- Date maintenance was last performed and by whom;
- Date the extinguisher was recharged and by whom;
- Date the six-year maintenance was last performed and by whom; and
- Date the extinguisher was hydrostatically tested and by whom.

A sample portable fire extinguisher record is provided in **Exhibit 4-17** below.

Exhibit 4-18
Northeast Exit Door with Slide Bolt
Installed in Lower Left Quadrant



Source: OEQA, May 2016

Exhibit 4-19
Northeast Exit Door with Slide Bolt
Installed in Lower Left Quadrant



Source: OEQA, May 2016

Exhibit 4-20
Southeast Exit Door with Slide Bolt
Installed in Upper Left Quadrant



Source: OEQA, May 2016

Exhibit 4-21
Southeast Exit Door with Slide Bolt
Installed in Upper Left Quadrant



Source: OEQA, May 2016

RECOMMENDATION

Contact the landlord and have slide bolts removed from both of the east exit doors.

NFPA 101 – Life Safety Code and the International Fire Code could both have bearing in this matter. Both documents discuss proper hardware for exit doors in some capacity.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 4-8

There are two exterior doors that open to the rear (east) of the building labeled “EXIT” but these doors are not equipped with proper exit devices aka “panic hardware” (**Exhibit 4-22**) that would facilitate safe and expeditious egress in the event of an emergency (**Exhibit 4-23**).

Exhibit 4-22
Northeast Exit Door with Conventional
Door Knob Installed



Source: OEQA, May 2016

Exhibit 4-23
Typical Exterior Door Exit Device aka
“Panic Hardware”



Source: sargentlock.com

RECOMMENDATION

Contact the landlord and request that the door knobs on the two exit doors to the east be replaced with proper exit devices.

NFPA 101 – Life Safety Code and the International Fire Code could have bearing in this matter. Both documents discuss proper hardware for exit doors in some capacity. If additional building security is a concern, exit devices are available that latch at one, two, or three locations.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 4-9

The exit signage in one area of the ISOK/OVCA administration building should be changed for the safety of building occupants and visitors. During the walk-through of the administration building for ISOK/OVCA it was noted that the properly mounted and installed exit sign above the southeast exit door could not be seen from any location in that area’s east-west hallway or front reception area.

The situation that currently exists (**Exhibits 4-24 and 4-25**) is dangerous because it has building occupants and visitors being unaware of the existence of the southeast exit door because the door and its exit sign are located in a short, little-used, hallway coming off of the east end of the east-

west hallway. There is no directional sign (an EXIT sign with a chevron-type indicator of the desired direction of travel to the actual exit) at the east end of the hallway leading building occupants down the east-west hallway and around the corner to the southeast exit door.

Exhibit 4-24
Occupants are Unaware that an Exit Door is Down the Hall & Around the Corner



Source: OEQA, May 2016

Exhibit 4-25
No Directional Sign Leading Occupants Down the Hall & Around the Corner



Source: OEQA, May 2016

RECOMMENDATION

Contact the landlord and request that a directional sign be installed at the east end of the east-west hallway to indicate the desired path to the southeast exit door.

NFPA 101 – Life Safety Code and the International Fire Code could have bearing in this matter. Both documents discuss exits and exit signage in some capacity and outline what is needed to facilitate safe and expeditious egress in the event of an emergency.

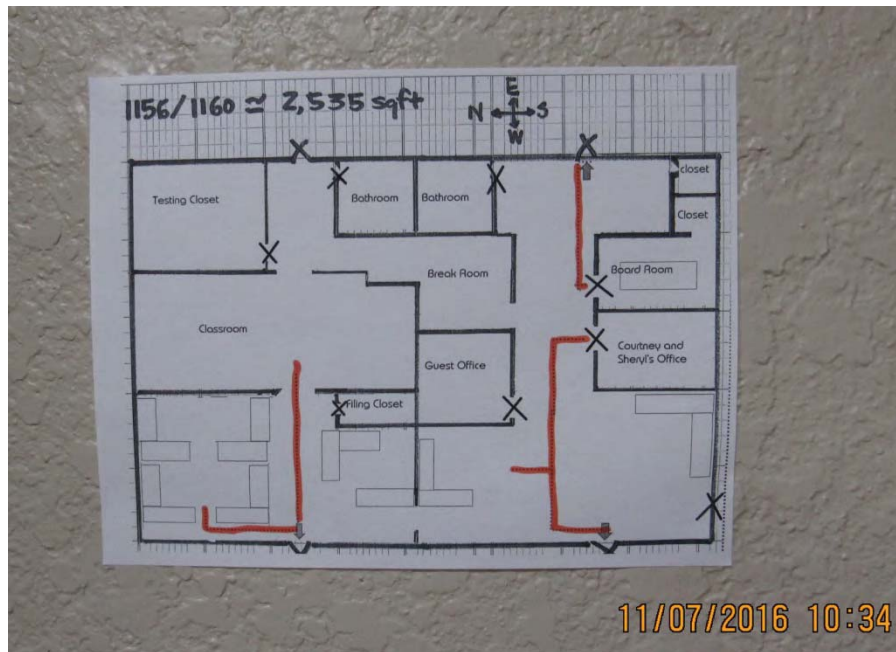
FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 4-10

In the headquarters building for ISOK/OVCA, occupant safety may be imperiled due to the poorly designed evacuation diagrams for interior spaces. The interior of ISOK/OVCA’s administration building is a maze of hallways and office doors that all look very similar. Exit signs are installed in their proper locations and a few evacuation diagrams have been created and posted in interior spaces (**Exhibit 4-26**).

Exhibit 4-26
Evacuation Diagram Posted in Several Locations
at ISOK/OVCA Headquarters



Source: OEQA, May 2016

RECOMMENDATION

ISOK/OVCA administration should ensure that emergency evacuation diagrams include all of the basic elements and are posted in offices and in the employee handbook.

As a best practice, exit diagrams should be redrawn to scale following the guidelines shown in the exhibit below. Also, this information should be included in an employee handbook along with procedures for the other types of emergencies requiring building occupants to egress or take shelter.

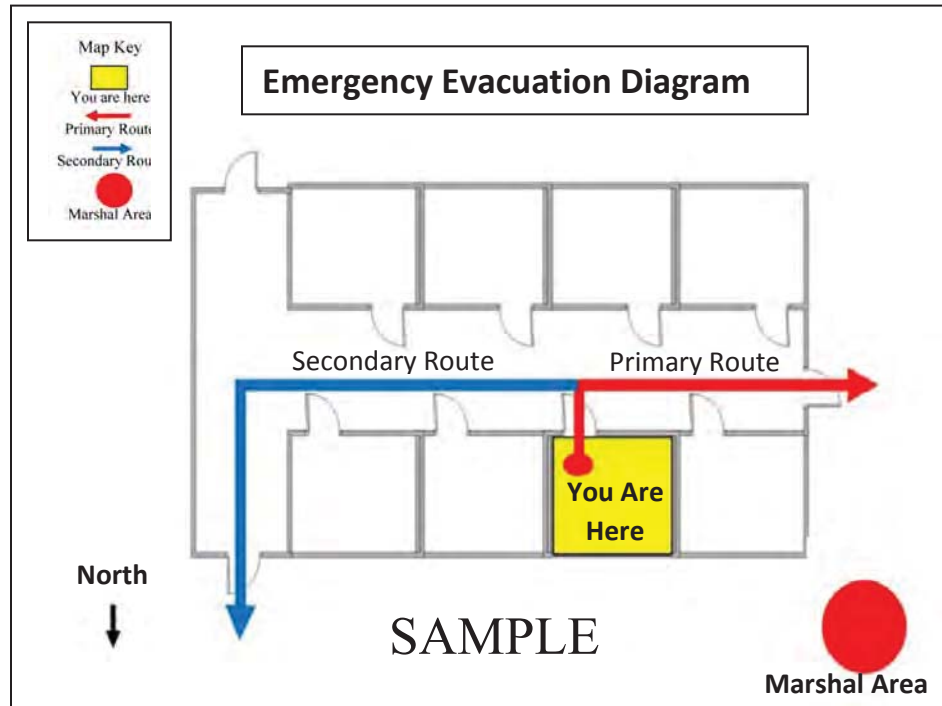
Emergency evacuation diagrams may be computer generated or drawn by hand, but regardless of how they are created; certain basic elements must be included in each diagram. The basic elements of an emergency evacuation diagram include the following:

- Show the basic layout of the building interior or area within the building, including walls, hallways, and doors. The outside of the property should be shown as well, indicating a marshal or assembly area so that an accounting of students and staff can be accomplished.
- The starting point. This is the location on the diagram where the person reading the diagram is currently standing. Make a large red dot and label it “You Are Here” or distinguish the room by a color that is included in the diagram key.

- The primary evacuation route. The primary evacuation route should be the shortest distance between “You Are Here” and a place where a person can exit the building. The primary route is indicated by a thick red line that extends from the “You Are Here” to the exit. Draw the primary evacuation route as a red line with an arrowhead ending on the exit and label it “Primary Evacuation Route” in the diagram key.
- The secondary evacuation route. The secondary evacuation route is taken when the primary route is unusable. The secondary route should be the shortest distance between “You Are Here” and a secondary place where a person can exit the building. The secondary route is indicated by a thick blue line that extends from the “You Are Here” or from an intersecting point with the primary route to the secondary exit. Draw the secondary evacuation route as a blue line with an arrowhead ending on the exit and label it “Secondary Evacuation Route” in the diagram key.
- Show the basic compass orientation of the diagram in one corner of the page, indicating the direction of North with the letter “N” and an arrow pointing in that direction. Regarding diagram display, there are two schools of thought, direction of immediate travel vs. north always being up. Most people will more quickly orient themselves if the evacuation diagram is displayed in such a manner that it coincides with an occupant’s physical direction of travel from “You Are Here.” For example, if the primary exit route is through the classroom door and turning left to go down the hallway then the diagram should be oriented so that the viewer sees the primary exit route arrow as going out the classroom door and turning left to go down the hallway. While north being always up is technically correct, precious time can be lost while people either exit in the wrong direction or stop in a doorway and attempt to orient their location and direction of travel to the diagram.
- The marshal area. This is the place where evacuees should meet. It should be a safe distance away from the building to provide adequate protection from fire and any onsite hazards such as chemicals or explosive materials. Draw the marshal area on your diagram using a red circle and label it “Marshal Area” or include it in the map key.

A sample of a basic emergency evacuation diagram is included below (**Exhibit 4-27**).

Exhibit 4-27 Sample - Emergency Evacuation Diagram



Source: OEQA - North Rock Creek School Performance Review

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 4-11

All of the emergency egress lights in the administration building for ISOK/OVCA properly indicated the presence of battery back-up (**Exhibit 4-28**) and illuminated when tested (**Exhibit 4-29**). Providing emergency egress lighting that functions properly helps to ensure the safety of building occupants and visitors.

Exhibit 4-28
Emergency Egress Light at ISOK/OVCA
Illuminating when Test Button is Depressed



Source: OEQA, May 2016

Exhibit 4-29
Emergency Egress Light at ISOK/OVCA
Illuminating when Test Button is Depressed



Source: OEQA, May 2016

COMMENDATION

All of the emergency egress lights in the administration building for ISOK/OVCA properly switched to battery back-up and illuminated when they were tested.

FINDING 4-12

ISOK/OVCA has purchased audio and video security services from an outside vendor which includes an emergency call box feature that is located in one of the office areas (Exhibit 4-30 and 4-31).

Exhibit 4-30
ISOK/OVCA Headquarters has Purchased
Security Services from an Outside Vendor



Source: OEQA, May 2016

Exhibit 4-31
Emergency Call Box Feature Located Inside
ISOK/OVCA Headquarters



Source: OEQA, May 2016

COMMENDATION

ISOK/OVCA is commended for purchasing security services from an outside vendor.

FINDING 4-13

There are several safety concerns with the ISOK document titled, “ISOK Emergency Procedures.” First, it is unclear if this document is intended to be universal beyond ISOK headquarters. The document does provide general step-by-step guidance for every emergency situation (Lockout, Lockdown, Evacuation and Take Shelter) but then in some cases has the Head-of-School or the Operations Manager being in charge and in other cases instructs students and teachers to take orders from the administrator in charge and/or follow designations existing within the occupied facility (i.e. evacuation diagrams and rooms designated as being shelters).

In the ISOK document titled, “ISOK Emergency Procedures” the team noted the following concerns:

- On the page titled “Emergency Procedures” it is not clear to whom the instructions are being given but a safe assumption is that they are being directed to teachers;
- Under On-Site Evacuation, item #4 says “take necessary student information,” however, what is considered “necessary student information” is never specified;
- Under On-Site Evacuation, item #6 says “account for all students and report to HOS/Ops Manager,” however, the means of communication is never specified;
- The decision tree contains a number of flaws. The secondary question of “Are the school grounds safe?” has a response of “No - Go to Outside Assembly Locations” and that is simply wrong.
- Also in the decision tree, on the “yes, the building is safe” side of the tree there is the secondary question of “Where is the danger?” with one of the responses being “inside – Lockout” and this is clearly wrong.

RECOMMENDATION

Form a working group comprised of administrators, teachers and possibly consultants with the purpose of reviewing and then rewriting the district’s emergency procedures.

Emergency procedures should be reviewed annually to ensure that all sections are current and reflect the latest in state and federal law, board of education policy, district procedure and state-of-the-art thinking. Most material will be universal to all employees, but if the district has sites which provide specialized circumstances then procedures for those sites may require addenda that make them site specific.

Lockout vs Lockdown – The most current thinking in this area acknowledges that an armed intruder situation is fluid and requires more flexibility and situational awareness and less rote adherence to procedures on the part of teachers and administrators. Building occupants should be prepared to Run or Hide or Fight depending upon the situation with which they are confronted.

With regard to the decision tree, on the “yes, the building is safe” side of the tree there should be only one response: “Lockout. Keep the bad guys out!” On the “no, the building is not safe” side of the tree, the responses to the secondary question “Are the school grounds safe?” should be “No – Lockdown and Prepare to Fight” (give descriptions) and “Yes – Go to designated or appropriate assembly locations.”

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 5:
TECHNOLOGY

Chapter 5

Technology

Oklahoma is striving to further implement technology into all classrooms. For example, the first goal of the 2004 Oklahoma Plan for Instructional Technology/Telecommunications was that all Oklahoma students would achieve technological literacy by the eighth grade.

The Foundation for Excellence in Education’s Digital Learning Council introduced the *10 Elements of High Quality Digital Learning*¹ in the fall of 2010. These elements identify actions to be taken by lawmakers and policymakers to promote a high quality education for all students. The Digital Learning 2014 State Analysis compares Oklahoma with the national average on each of the elements (**Exhibit 5-1**). Overall, Oklahoma earned a 77 percent or C+ on this report card. Oklahoma’s areas of concern include:

- Student Eligibility – lack of requirements for online courses to earn a high school diploma;
- Assessment and Accountability – non-use of evaluative outcomes-based student-performance data for virtual charter schools, online providers and online courses, and subsequent closure due to poor performance; and
- Delivery – lack of state actions to ensure broadband access and effective data use.

However, Oklahoma scored high in providing student access to quality digital content.

Exhibit 5-1
Digital Learning 2014 State Analysis: Oklahoma

10 Elements of High Quality Digital Learning	Oklahoma		National Average Grade & Percentage	
	Grade	Percentage		
1. Student eligibility: All students are digital learners.	D+	67%	D-	61%
2. Student access: All students have access to high-quality digital content and online courses.	A	100%	C	75%
3. Personalized learning: All students can customize their education using digital content through an approved provider.	C	75%	C+	77%
4. Advancement: Students progress based upon demonstrated competency.	B-	81%	F	59%
5. Quality content: Digital content, instructional materials, and online and blended learning courses are high quality.	A-	92%	A-	93%
6. Quality instruction: Digital instruction is high quality.	B-	82%	B-	84%
7. Quality choices: All students have access to multiple high-quality providers.	C+	79%	C-	74%
8. Assessment and accountability: Student learning is the metric for evaluating the quality of content and instruction.	F	58%	D+	68%
9. Funding: Funding creates incentives for performance, options, and innovation.	C	75%	F	54%
10. Delivery: Infrastructure: Infrastructure supports digital learning.	F	56%	D-	60%

Source: <http://www.digitalllearningnow.com/report-card/state/2014/oklahoma-3/>

¹ <http://www.digitalllearningnow.com/10Elements/>

ISOK has an extensive support system for technology. As one of the schools operated by K12 Virtual Schools, LLC (K12), ISOK receives the benefit of a technical support staff numbering in the hundreds nationally. Including contractors, K12 has more than 300 staff dedicated to ensuring system operability. With overall student enrollment of approximately 135,000, this level of staffing equates to one staff person per 450 students.

ISOK provides an online learning environment that is supplemented with physical materials and offline activities. As noted in **Exhibit 5-2**, a majority of ISOK students believe that their school emphasizes the use of technology tools for class work and nearly all believe that their school has helped them develop their ability to use technology to gather and communicate information. A majority of parents and staff agree that ISOK provides an adequate technology environment (**Exhibit 5-3**). Finally, taking advantage of the opportunities presented by a virtual learning environment, the ISOK learning environment has both synchronous and asynchronous elements (**Exhibit 5-4**).

Exhibit 5-2
Student Survey Responses Regarding ISOK Technology Environment

How much does your school emphasize each of the following?				
	Not at all	Very Little	Some	Very Much
Using technology tools for class work	3%	15%	54%	28%
How much has your experience at this school contributed to your development?				
	Not at all	Very Little	Some	Very Much
Using technology to gather and communicate information	0%	8%	42%	51%

Source: OEQA Survey Results, 2016

Exhibit 5-3
Parent and Staff Survey Responses Regarding ISOK Technology Environment

Group	Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Parents	My child has up-to-date computers and other technology to use in learning.	56%	39%	3%	3%	0%
Staff	The virtual charter academy has adequate technology to support its operations.	27%	57%	10%	3%	3%

Source: OEQA Survey Results, 2016

Exhibit 5-4
ISOK Student and Staff Survey Responses Regarding E-Learning Formats Used

Which e-learning formats do most of your teacher(s) use and to what degree does he/she use them for instruction?				
Students	Not at all	Very Little	Some	Very Much
Synchronous (at a specific time each day)	4%	13%	21%	63%
Asynchronous (anytime during the day)	17%	25%	42%	16%
Which e-learning formats do you use and to what degree do you use them?				
Staff	Not at all	Very Little	Some	Very Much
Synchronous (specific time each school day)	3%	3%	19%	74%
Asynchronous (anytime/any day)	10%	10%	47%	33%

Source: OEQA Survey Results, 2016

FINDING 5-1

ISOK has excellent support systems for students and teachers experiencing technical difficulties. The average time to first contact for a help desk ticket was 33 minutes between August and October 2016.

There are multiple types of technical support available:

- an online trouble ticket system for typical hardware and Microsoft Office problems that can be accessed by any student, parent, or staff member;
- a higher level of online trouble ticket system for issues with larger systems that can only be submitted by an operations manager;
- a contact number/online contact form for resetting passwords;
- an online contact form for questions teachers may have in the areas of academic services or teacher effectiveness; and
- a feedback form to report mistakes or problems with specific course content or to provide feedback on a course.

Technical support is available 24/7 throughout the school year; students and families are given a toll-free number to call if they are not able to report their problem via computer. The ISOK support teams typically do not have to visit a student’s house to troubleshoot problems. If necessary, ISOK will overnight a computer to the student so that learning can continue.

Support staff reported 99.9 percent system availability. Scheduled maintenance only takes place on Saturday mornings. Although some students and their learning coaches noted problems with system availability on the surveys conducted for this review, they were relatively few in number

and could perhaps be expressed frustrations with issues outside the control of ISOK, such as intermittent internet outages in remote rural areas.

K12 has both a chief technology officer and a chief information officer. Depending upon the origin and type of problem, staff under either chief could be tasked with providing support to schools. **Exhibit 5-5** provides the national help desk statistics for the first three months of the 2016-17 school year; Oklahoma only statistics were not available.

**Exhibit 5-5
National K12 Help Desk Statistics
August – October 2016**

Help Desk Metric	AUG	SEP	OCT	Average
Avg. Time to First Contact	1 hr 5 mins	22 mins	13 mins	33 mins
Tickets Created	5,975	3,194	2,949	4,039
Tickets Closed	5,720	3,334	2,955	4,003
Avg. Time to Close Ticket	10 hrs 29 mins	10 hrs 19 mins	9 hrs 3 mins	~10 hours

Source: ISOK, October 2016

As shown in **Exhibit 5-6**, on the survey staff largely agreed that the ISOK has adequate technical support.

**Exhibit 5-6
ISOK Staff Survey Results Regarding Technical Support**

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
The virtual charter academy has adequate technical/technological support for staff.	13%	60%	13%	10%	3%

Source: OEQA Survey Results, 2016

COMMENDATION

ISOK is commended for providing a robust technical support environment.

FINDING 5-2

ISOK ensures its teachers are comfortable with teaching in a virtual environment. As participants in the teacher focus group noted, ISOK is clear regarding its expectations for technological competence.

Teachers applying to teach at ISOK have to demonstrate initial technological competence as part of the hiring process. Initial interviews are conducted online. Prospective teachers are required to teach a virtual lesson before hire.

Once hired, ISOK has processes to ensure that all teachers have the technological skills to thrive in the virtual teaching environment. New teachers receive 20 hours of training prior to starting

work, much of which is about the ISOK technology environment and its proper use. Teachers complete ISOK-provided training every year which includes the use of the school’s technology tools. Through the K12 parent company, ISOK provides teachers with an IT tip each week that gives examples of how to maximize available technology.

ISOK also encourages teachers to learn from each other. Teachers can review the recorded lessons of other teachers for ideas on how to use technology in their lessons. A national group of teachers is available to help with technical needs. In the focus group, teachers stated that they feel there is more informal professional development available (and accessed) than in a traditional brick-and-mortar school. The 2016-17 official professional development calendar includes:

- Seven days where training is offered in-person in the Oklahoma City area;
- Ten days where training is offered via online webinar;
- Numerous online courses through K12; and
- 46 opportunities to participate in training in-person regionally.

Teachers noted that most or all of the professional development is recorded so that it can be reviewed at other times.

As shown in **Exhibit 5-7**, a majority of ISOK staff *strongly agree* or *agree* that they receive adequate job training and that they know how to use technology in their jobs. A majority also *strongly agrees* or *agrees* that teachers participate in online or in-person professional learning communities and new teachers receive support in acclimating to the online environment.

Exhibit 5-7
ISOK Staff Survey Results Regarding Technology Professional Development

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
I receive adequate training overall to perform my job functions.	17%	47%	17%	13%	7%
I understand how to use technology as it relates to my job functions.	40%	57%	3%	0%	0%
Teachers participate in professional learning communities that meet online or in person.	38%	31%	28%	3%	0%
In our virtual charter academy, new staff members receive mentoring/peer coaching to acclimate to the online environment.	37%	43%	13%	7%	0%

Source: OEQA Survey Results, 2016

COMMENDATION &

ISOK is commended for ensuring its teachers are technologically competent and comfortable teaching in a virtual environment.

FINDING 5-3

In its efforts to continuously improve, K12 has launched a new learning platform this year (2016-17) for secondary students. The rollout has encountered some minor difficulties beyond software bugs, as not all learning coaches and students have readily adapted to the changes.

Although well received by many teachers as an improvement, the new learning platform has been problematic for some. On the surveys conducted for this review, some teachers noted that they or their students/families encountered difficulties transitioning from the old to the new system or had difficulties using the new learning platform. Likewise, some parents and students noted:

- the pace of change is too quick;
- they were not adequately trained on the new platform; or
- the changes appear to be just changes rather than true improvements.

On the survey, some parents noted problems with “the website”, which is likely a reference to the learning platform. Others expressed general frustrations that seem to imply some lack of comfort with technology in general. Still others expressed frustrations with what seem to be likely software glitches, including comments about completed assignments not showing as completed and tests appearing to be scored one way, but then having a different final grade.

Even ISOK students, who on average, are likely more technologically savvy than their learning coaches, expressed some frustrations with the glitches encountered in the new platform as well as the pace of change in general. Students noted inconsistencies in assignment tracking across screens, with some noting that missing assignments are not easily identified in some areas while others noted that completed assignments seem to be sometimes lost and have to be redone. Several students noted frustrations at what they felt were too frequent and unnecessary changes to the learning platform.

Likewise, a number of staff identified that at least some students drop out of ISOK because they have difficulty navigating and using the learning platform. As noted in the K12 Annual Report for 2015, students initially enroll in one of their online schools for a variety of reasons, including several that indicate a prior dissatisfaction or unpleasant experience with previous schools. These reasons include:

- students seeking to learn at their own pace in a way that better accommodates their individual needs;
- students seeking to avoid safety, social, or health concerns about their local school;

- students with disabilities seeking alternatives to traditional classrooms;
- students for whom the local public school is not meeting their needs; and
- high school dropouts who have decided to re-enroll in school to earn a diploma.

Anecdotally, ISOK staff members noted that they believe many of their students come to the school being at risk in multiple ways and it is often a combination of safety concerns (such as a desire to avoid bullying) and health concerns (either the student or a member of the family). This observation was supported by an email survey undertaken in 2015 by ISOK, which found that many of their students also seek out online education due to safety and/or health concerns (**Exhibit 5-8**).

Exhibit 5-8
Reasons Families Gave for Enrolling in ISOK, 2015
(n = 48)

Answer Option	Percent
Health/Wellness Reasons	18.8%
School safety concerns	39.6%
Family circumstances	25.0%
Options for curriculum/ courses not offered in local school district	8.3%
Opportunity to achieve specific personal goals	27.1%
Opportunity for acceleration or remediation	25.0%
Opportunity for increased parental involvement	27.1%
Other	18.8%

Source: ISOK Internal Survey Results, May 2015

Students who enter ISOK for these reasons may have already had a negative experience with traditional public education and therefore may be predisposed to dislike any schooling experience. In those situations, any difficulties with the learning platform or lack of understanding as to how ISOK works may be sufficient to cause a student to withdraw from school.

RECOMMENDATION

Review communications and employed training strategies to ensure that students and learning coaches do not encounter substantial difficulties in navigating the learning platform.

ISOK should develop online training modules for both students and coaches that range from extremely introductory to advanced. While many of the learning platform features may seem intuitive and easily navigable, it should be remembered that some learning coaches begin with almost no technical skills. ISOK may also wish to consider a longer introductory period for platform changes or to offer the old and new platforms concurrently thereby providing time to allow students and learning coaches to adjust gradually.

As with the teachers, the ISOK should encourage and foster the development of learning coach “professional development” groups, perhaps asking a seasoned and technologically competent learning coach to serve as a mentor or ready-reference for new learning coaches. While there are open communication forums for learning coaches, those who recognize a deficiency in their technical competence may be hesitant to ask for help publicly.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 5-4

The district leverages its high-technology environment to support extensive communications between all stakeholders. The quantity and quality of communication methods well exceeds those of many brick-and-mortar schools.

Within the ISOK environment, administrators attend morning online meetings each day. These meetings are approximately 30 minutes in length and focus on the priorities of the day. Beyond that, principals attend a variety of regular meetings with various subordinates and regional coworkers. The high school principal enumerated these regular meetings:

- a meeting every two weeks with a regional team;
- a weekly meeting with the regional team on a different topic;
- a weekly meeting regarding student Individualized Education Plans (IEPs);
- a weekly two-hour “Friday meeting” with a rotating slice of teachers; and
- a weekly meeting with counselors.

In the consulting team’s experience, this number and frequency of intentional meetings between a principal, his co-workers, and subordinates is unusual and commendable.

Teachers’ work can be monitored in various ways; every teacher is observed at least once a month, either by a principal or lead teacher. Principals do formal observations at least twice a year but can drop into an online classroom at any time. One principal noted that he attempts to do observations during live sessions, but may view recorded lessons if needed. Informal teacher observations are at least 15 minutes in length, but usually longer. For any observation the principal or lead teacher conducts a pre- and post-observation conference.

Teachers meet in grade level teams every two weeks. They noted in the focus group that they have access to communicate with mentor teachers and each other in a variety of areas. Teachers also have a variety of tools at their disposal with which to communicate with students and learning coaches. They are expected to complete welcome phone calls to all of their students at the beginning of the school year. The general ISOK expectation is that a teacher will respond within 24 hours if a student or learning coach contacts them. In the middle and high schools, teachers have a goal to contact 10 students via phone each week. In interviews and focus groups,

current and former ISOK teachers noted that they often have closer relationships with the ISOK students and families than they did with students in their previous brick and mortar schools.

Any emails sent to students are automatically copied to their learning coaches, to help keep everyone in the loop. Learning coaches can participate in active Facebook groups and receive their own regular email updates on their students, in addition to having their own views into the learning platform.

Exhibit 5-9 provides the staff survey responses to questions regarding communications. As shown, a majority of staff *agrees or strongly agrees* that various communication methods are regularly used throughout the ISOK organization.

Exhibit 5-9
ISOK Staff Survey Results Regarding Communications

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
The central office is accessible and effectively communicates with district staff.	37%	40%	20%	3%	1%
My principal is accessible and effectively communicates with staff.	48%	35%	14%	3%	0%
Our virtual charter academy staff and administrators often use email or other social media to communicate with one another.	47%	47%	3%	0%	3%
Teachers provide students with specific and timely feedback about their learning.	17%	53%	23%	7%	0%

Source: OEQA Survey Results, 2016

A report by Civic Enterprises, *Raising Their Voices: Engaging Students, Teachers, and Parents to Help End the High School Dropout Epidemic* (Bridgeland, Balfanz, Moore & Friant, 2010)², points to the importance of communication in achieving student success. The report emphasized using technology capabilities to provide access to information for parents, students, and school personnel. The importance of communicating with parents not only to address a problem, but also to share positive aspects of the school experience was highlighted.

² Bridgeland, J. M., Balfanz, R., Moore, L. A., & Friant, R. S. (2010). *Raising their voices: engaging students, teachers, and parents to help end the high school dropout epidemic* (PDF file). Washington, DC: Civic Enterprises. Retrieved from http://www.civicerprises.net/MediaLibrary/Docs/raising_their_voices.pdf

COMMENDATION

The ISOK leverages technology to facilitate layers of intentional and regular communication among stakeholders to a degree not typically found in a traditional brick and mortar school.

FINDING 5-5

Although there are various methods for ISOK to communicate with students and their learning coaches, some complained in the survey that the flow of communication is too great or contains extraneous/outdated information. Some also complained that teachers or counselors do not respond to emails timely.

On parent and student surveys, a few respondents noted that the communication mechanisms can be overwhelming. Some felt that information already posted in one place was repeated in emails. Others felt that it was difficult to determine where important information was primarily posted. A few noted frustration that they did not feel counselors responded to concerns in a timely manner.

RECOMMENDATION

Review the communication tools used by teachers and counselors and then streamline communications from ISOK to learners and their coaches.

The ISOK has the resources to communicate broadly and often, and appears to make every attempt to do so. However, this effort has resulted in “information overload” for at least some segment of its student body and learning coaches. The ISOK head of school should convene a small group of learning coaches and high school students to gather feedback on when and how the use of communication tools may be causing confusion and/or frustration. This may result in ideas for how teachers can either reduce the appearance of duplicative communications or may result in a streamlining of the overall communications processes. At a minimum, implementing this recommendation should result in an easy-to-follow infographic for students and learning coaches that diagrams where to go to access various types of information and updates.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 5-6

The requirement for virtual students to travel to a physical location for state testing is burdensome. Although outside the control of the ISOK, it is a source of complaint among teachers, students, and learning coaches and may be contributing to lower test scores.

Currently, ISOK students are required to travel to a physical location for state testing. This requirement is imposed by the Oklahoma State Department of Education (SDE), even though adequate technology options exist to provide secure testing within the student’s usual learning environment. According to the ISOK operations manager and testing coordinator, ISOK has to

locate and create “pop-up” labs each testing season – there were nine testing sites in May 2016. The number of computers needed at each site depends upon the number of students to be tested. ISOK maps the home locations of all the families and tries to locate testing sites so as to minimize the travel burden on parents and students. As the student body changes from year to year, ISOK repeats this process every year. ISOK’s goal is to have no families driving more than 100 miles one way. For school year 2016-17, the testing coordinator anticipates that only two families will have to drive more than 70 miles one way.

Parents are responsible for getting their students to the test site, which is sometimes a problem. If there is a financial burden, ISOK can provide a mileage stipend; in the past, staff has organized car pools among ISOK families. As a last resort, ISOK can test students individually at a library near their home, but this places a greater personnel burden on ISOK staff who must be present at testing. According to the testing coordinator, in school year 2015-16, ISOK tested one medically fragile student in their home and tested three others in sites very close to home (such as a library).

Whatever the testing arrangement, all aspects have to be pre-approved by the SDE. The SDE:

- does not allow the ISOK to administer tests outside the boundaries of Oklahoma;
- requires at least one testing site in each of the four quadrants of Oklahoma, with one site required to be in Tulsa;
- does not allow ISOK to coordinate with local districts to allow testing of students on those campuses, even though there may be plenty of space and suitable technology; and
- requires ISOK staff to administer the state tests, even though other certified exam proctors could potentially be found among the staffs of traditional school districts.

Currently, the Oklahoma state tests are not cloud-based but instead require software to be downloaded locally. This makes potentially ideal sites such as the test center at Oklahoma State University unsuitable, as their protocols do not permit outside software downloads to their computers. Partly as a result of the need to have test computers that meet certain hardware specifications and partly due to the need to download software locally in order to test, ISOK ends up bringing its own technology to every testing site. As the testing timeframe requires full-time computer use for two weeks each year, this is a substantial burden on the school.

When asked about the underlying causes for ISOK’s relatively poor showing on the Oklahoma A-F Report Card (in 2016, the grades were F, F, and D, elementary, middle, and high respectively), teachers noted several problems, including student mobility and students entering ISOK from traditional school environments several grades behind. However, they also cited the burden on ISOK students who have to sometimes travel long distances for testing. Teachers noted that this can be tiring for the students; in addition, teachers feel that some students are intimidated by the unfamiliar testing environment.

On the parent and student surveys, several noted frustration with the off-site testing requirements. Unlike state testing in a brick and mortar school, it is often the case that the

learning coach (parent) must travel to the testing site with the student, sometimes with younger siblings of the student in tow.

In-person testing is not needed to provide test security. A variety of tools exist to provide strong assurances of test security. The ISOK already employs some of these technologies when administering their own tests, such as a built-in lockdown of browser capabilities, so that students taking a test cannot open an additional internet window to search for test answers. Other proctoring technologies exist and are in use in the private sector for a wide variety of higher education, professional and government exams. For example, Prometric, a private firm that provides a variety of tests for various industries, ensures test security by audio and video recording of all test takers.³ Webcam technology is also employed to monitor test takers.

RECOMMENDATION

Request that the SDE allow for other options that provide similar or better test security.

Although some may be reluctant to embrace what could be seen as invasive technologies, employing sufficient security measures in students' normal learning environments so that state testing can take place would be preferable to the current requirement for families to have to travel up to 100 miles to outside locations. ISOK should petition the state for approval of alternative testing options. If agreement for testing in the normal learning environment cannot be reached, ISOK should request approval and authority to work with the nearest local brick and mortar school for testing space for each student. If needed, the ISOK could offer appropriate compensation to the brick and mortar school for the service provided.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING 5-7

ISOK provides an extensive tool kit for teachers and principals to analyze students' progress and learning. Teachers and principals expressed confidence in using these tools to track students and then use the data to fine tune learning experiences for each student.

In interviews and focus groups, teachers and administrators praised the data tools available to track student progress and to ensure teachers were keeping track of students. **Exhibit 5-10** provides the staff survey results regarding data analytics and tools used to support student learning in the ISOK. As shown, a majority of staff *agree or strongly agree* that there is a systemic process for collecting and using student data, that teachers use data to monitor and adjust instruction, that staff is trained in the use of data, that data are used to monitor student success and that leaders monitor data.

³ www.prometric.com

Exhibit 5-10
ISOK Staff Survey Results Regarding Data Analytics and Tools

Survey Question	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Our virtual charter academy has a systemic process for collecting, analyzing, and using student data.	43%	40%	10%	7%	0%
Teachers monitor and adjust curriculum, instruction, and assessments based on data from student assessments.	29%	54%	14%	4%	0%
Our virtual charter academy ensures that staff members are trained in the evaluation, interpretation, and use of data.	17%	48%	24%	10%	0%
Our virtual charter academy uses data to monitor student readiness and success for the next level.	37%	50%	13%	0%	0%
Our virtual charter academy leaders monitor data related to district continuous improvement goals.	34%	48%	17%	0%	0%

Source: OEQA Survey Results, 2016

Exhibit 5-11 provides a selection of the data dashboards available to administrators and teachers. As shown, a wealth of data on student effort and progress is available at various levels. Administrators and teachers reported using these tools frequently and productively to monitor teachers and to support student progress.

Exhibit 5-11 Screenshots of Data Dashboards Available to Administrators and Teachers

School Level Data Dashboard

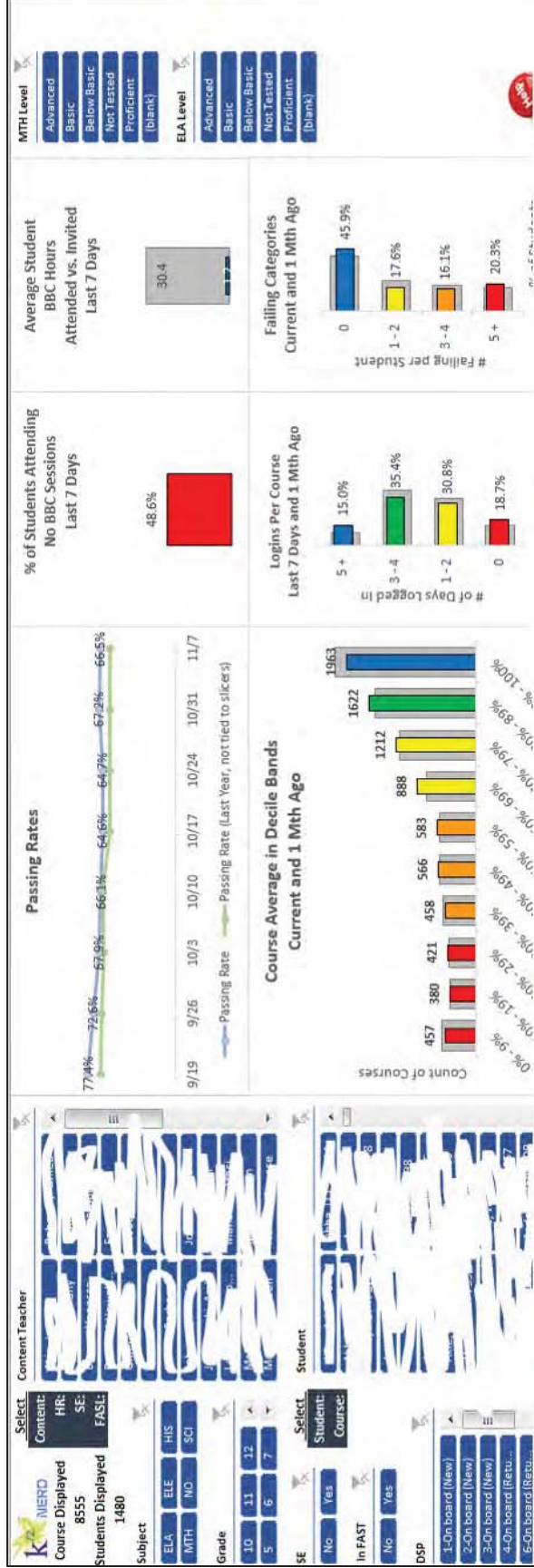


Exhibit 5-11 (continued) Screenshots of Data Dashboards Available to Administrators and Teachers

Teacher Level Data Dashboard

Teacher	# of Preps	Course Load	Passing Rate	Passing Rate 1 Mth Ago	% No Login 1 Mth Ago	% ELA BB	% MTH BB	CC Sessions Att	Ttl CC Hrs Att	Ttl Scheduled CC Hrs	CC Metric Exclusions
	4	111	76.4%	66.1%	16.2%	13.6%	5.5%	10	16.2	14	Include
	1	2	0.0%	0.0%	50.0%	0.0%	0.0%	3	2.1	3	Exclude
	5	230	67.0%	69.1%	22.2%	14.0%	6.3%	6	11.1	10	Include
	4	111	88.3%	81.1%	9.0%	11.5%	4.8%	7	13.9	13	Include
	4	206	75.2%	75.2%	14.1%	18.4%	5.3%	2	10.6	9	Include
	2	15	100.0%	92.9%	13.3%	0.0%	0.0%	10	13.5	12	Include
	1	26	46.2%	53.8%	30.8%	3.8%	0.0%	1	1.3	1	Exclude
	1	3	100.0%	50.0%	0.0%	0.0%	33.3%	7	13.8	25	Include
	4	226	56.6%	41.6%	19.9%	22.6%	5.8%	6	10.8	11	Include
	4	396	65.5%	62.0%	24.0%	6.6%	15.7%	12	14.9	32	Exclude
	1	188	66.0%	63.8%	13.8%	2.7%	25.5%	8	15.3	13	Include
	2	165	80.6%	77.8%	14.5%	3.6%	5.5%	6	9.7	13	Include
	3	234	54.7%	57.7%	18.8%	12.3%	6.6%	8	16.9	15	Include
	1	149	56.4%	48.6%	10.7%	4.0%	4.7%	6	9.9	18	Include
	2	286	64.7%	65.1%	16.4%	15.4%	7.0%	6	11.4	10	Include
	4	239	62.3%	58.8%	24.3%	5.4%	5.0%	3	7.1	5	Include
	3	318	55.0%	79.1%	20.8%	18.9%	6.3%	7	11	9	Include
	1	4	25.0%	100.0%	25.0%	0.0%	25.0%	7	14.3	12	Include
	1	196	68.9%	76.5%	10.2%	2.6%	26.0%	4	6.1	5	Include
	3	8	14.78%	30.00%	35.00%	0.00%	0.00%	10	15.0	15	Exclude

Exhibit 5-11 (continued) Screenshots of Data Dashboards Available to Administrators and Teachers

Student Level Data Dashboard

Courses Displayed
6

Students Displayed
1

Course Avg
30%-39%
40%-59%
60%-79%
80%-99%
No Start

Failing
3-4
0
1-2
5+

Days Since Last Login
10+
0-9

Attended CC
No
Course Login

Course Login
No
Yes

Days Since Last Login
0-9
10+

Select
Content:
HR:
SE:
FASL:

Select
Student:
Course:

Content Teacher

Student	Content Teacher	Wkly CC Attendance
W...
V...
V...
V...
V...
V...

Don't forget the + signs above!

Student	Content Teacher	Course	Current Course Avg	Days Logged Last Wk	Current Wkly Hrs	Days Since Last Course	Current Wkly Points	Total Attend	Total Invite	Total Hrs Attended	Total Hrs Invited	Days Since Last Login	LC Days Since Last Sys	Fail Count	Course Count	Course Grade	Course Start Date
		OTH090-AVT Life Skills	64.3%	0	12	12	106	0	21	0.1	34	10	3	6	12	8/16/2016	
		OTH040 Reaching Your Academic Potential	47.0%	0	12	12	0	0	21	0.1	34	10	3	6	12	8/16/2016	
		HST020-AVT Psychology	37.0%	0	12	12	0	0	21	0.1	34	10	3	6	12	8/16/2016	
		ENG403A British and World Literature	43.6%	0	10	10	0	0	21	0.1	34	10	3	6	12	8/16/2016	
		ENG4068G British and World Literature	71.2%	0	10	10	0	0	21	0.1	34	10	3	6	12	8/16/2016	
		BUS030 Personal Finance OK	68.8%	0	11	11	0	0	21	0.1	34	10	3	6	12	8/16/2016	

Source: ISOK, November 2016

COMMENDATION

ISOK maximizes technology tools to provide data analytics to teachers and principals.

FINDING 5-8

ISOK makes a plethora of resources available to regular education, special education and Tier 2 and 3 students. Students and teachers are not limited to content solely on the learning platform.

Students are directed to many resources on the internet by their teachers. Teachers have the option to provide additional resources to support student learning, as needed. In the focus group and in interviews, administrators and teachers gave examples of external online content to which they might direct students for additional learning opportunities. This willingness to use online resources from a variety of sources allows teachers to customize learning experiences for each student.

COMMENDATION

ISOK encourages teachers and students to access the breadth of learning resources available on the internet, as needed, to maintain student interest and customize student learning.

FINDING 5-9

ISOK is committed to making all necessary technology tools available to principals and teachers. This helps ensure that lack of access to technology is not a barrier to teaching and learning.

All ISOK teachers are provided with the technology tools needed to be successful. All teachers receive an up-to-date laptop, phone, and all-in-one printer/fax/copier. ISOK teachers who previously taught in a brick-and-mortar district noted that the commitment to providing teachers with needed tools is much higher in ISOK.

Staff reported various efforts to help students acquire sufficient bandwidth to be able to effectively learn in ISOK. Staff also relayed several examples of efforts to provide additional technology when it was determined it might help a special education student, such as when students with visual impairments could benefit from special computer screens.

COMMENDATION

The ISOK is commended for its commitment to providing all the technology tools teachers need for effective teaching and learning to take place.

Appendix A:
Staff Survey Results

Staff Survey

*Surveys Completed: 35
Totals may not add to 100 percent due to rounding.*

Statistical Data

1. How long have you been employed by this Charter district?					
1 year or less					37%
2-3 years					51%
4 – 5 years					11%
6 years or more					0%
2. What is your role in the district?					
District Administrator					9%
Principal					3%
Classroom Teacher					34%
Special Ed Teacher					14%
Other Certified (e.g., Librarian, Guidance Counselor)					11%
Family Support					17%
Central Office					11%
3. Do you teach/lead as a faculty person who is:					
Full-time at this Virtual Charter?					90%
Adjunct/part-time at this Virtual Charter?					10%
Adjunct/part-time at this Virtual Charter and another educational institution?					0%
Adjunct at this institution but employed full-time at another institution?					0%
4. Which (if not all) e-learning formats do you use and to what degree do you use them?					
Format	Not at all	Very little	Some	Very much	Total Respondents
Face-to-Face	14%	62%	24%	0%	29
Synchronous (specific time each school day)	3%	3%	19%	74%	31
Asynchronous (anytime/any day)	10%	10%	47%	33%	30

Survey Questions

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
5	Our virtual charter academy's mission statement is clearly focused on student success.	47%	47%	3%	3%	0%
6	Our virtual charter academy's mission statement is formally reviewed and revised with involvement from stakeholders.	17%	63%	13%	7%	0%
7	Our virtual charter academy has a continuous improvement process based on data, goals, actions, and measures for growth.	41%	48%	7%	3%	0%
8	Our virtual charter academy's administrators and district board complies with all policies, procedures, laws, and regulations.	47%	43%	7%	3%	0%
9	I understand the virtual charter academy's organizational structure.	13%	70%	10%	7%	0%
10	I know to whom I report for all my job functions.	55%	45%	0%	0%	0%
11	I understand my contract with this virtual charter school as it relates to my salary schedule and benefits or justification for paying performance stipends (if applicable).	23%	73%	3%	0%	0%
12	I receive adequate training overall to perform my job functions.	17%	47%	17%	13%	7%
13	Our virtual charter academy's administrators expect staff members to hold all students to high academic standards.	43%	47%	3%	7%	0%
14	Our virtual charter academy's leaders hold themselves accountable for student learning.	37%	40%	20%	3%	0%

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
15	Our virtual charter academy's leaders hold all staff members accountable for student learning.	45%	38%	10%	7%	0%
16	I received adequate training on the teacher/leader evaluation instrument our district has adopted.	13%	53%	23%	7%	3%
17	Our virtual charter academy's principals regularly evaluate staff members on the adopted evaluation criteria designed to improve teaching and learning.	17%	59%	21%	3%	0%
18	The virtual charter academy's gives student needs a high priority when making decisions.	40%	47%	10%	3%	0%
19	The central office is accessible and effectively communicates with district staff.	37%	40%	20%	3%	1%
20	My Principal is accessible and effectively communicates with staff.	48%	35%	14%	3%	0%
21	My Principal is an effective instructional leader	54%	29%	14%	4%	0%
22	Teachers know what is to be taught and when because they have access to a district adopted Pacing Calendar that reflects the current Oklahoma Academic Standards	35%	38%	21%	7%	0%
23	Teachers have scope and sequence documents that determine what is taught at each grade level.	28%	52%	17%	3%	0%
24	Teachers understand the Oklahoma Academic Standards/objectives, test blueprints, and Item Specifications that are provided by the state department of education.	30%	60%	10%	0%	0%

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
25	Teachers monitor and adjust curriculum, instruction, and assessments based on data from student assessments.	29%	54%	14%	4%	0%
26	Teachers develop and implement instructional strategies and interventions to address individual learning needs of students.	33%	50%	13%	3%	0%
27	Teachers consistently use instructional strategies that require self-reflection and development of critical thinking skills.	17%	60%	20%	3%	0%
28	Teachers use a process to clearly inform students of their learning expectations and standards of performance.	20%	53%	23%	3%	0%
29	Teachers provide students with specific and timely feedback about their learning.	17%	53%	23%	7%	0%
30	Teachers use multiple types of assessments to modify instruction and to revise the curriculum.	27%	60%	13%	0%	0%
31	Teachers participate in professional learning communities that meet online or in person	38%	31%	28%	3%	0%
32	Teachers in our virtual charter academy have been trained in the professional learning communities (PLC) process that promotes discussion about student learning	40%	33%	27%	0%	0%
33	In our virtual charter academy, new staff members receive mentoring/peer coaching to acclimate to the online environment.	37%	43%	13%	7%	0%

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
34	In our virtual charter academy, all staff members participate in continuous professional learning based on identified needs of the students and teachers	37%	50%	7%	7%	0%
35	In our virtual charter academy, a professional development program is designed to build capacity among all professional staff members.	43%	43%	3%	10%	0%
36	In our virtual charter academy, all stakeholders are informed of policies, processes, and procedures related to grading and reporting.	24%	55%	21%	0%	0%
37	Our virtual charter academy provides highly qualified staff members to support student learning.	43%	40%	13%	3%	0%
38	In our virtual charter academy, related learning support services (Special Ed, ELL, etc.) are provided for all students based on their needs.	37%	53%	7%	3%	0%
39	Virtual charter academy stakeholders are invited to provide input into the budgetary process.	4%	41%	34%	21%	0%
40	The virtual charter academy actively applies for competitive state /federal grants and other grant opportunities.	0%	20%	76%	3%	0%
41	Our virtual charter academy provides high quality student support services (e.g., counseling, educational and career planning).	40%	43%	13%	3%	0%

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
42	Our virtual charter academy has a systematic process for collecting, analyzing, and using student data.	43%	40%	10%	7%	0%
43	Our virtual charter academy ensures that staff members are trained in the evaluation, interpretation, and use of data.	17%	48%	24%	10%	0%
44	Our virtual charter academy uses data to monitor student readiness and success for the next level.	37%	50%	13%	0%	0%
45	Our virtual charter academy leaders monitor data related to district continuous improvement goals.	34%	48%	17%	0%	0%
46	Teachers adequately prepare students for state mandated assessments (OCCT, EOJ).	29%	50%	21%	0%	0%
47	Students are adequately being prepared for college, if they choose that path.	20%	57%	23%	0%	0%
48	Students receive timely information on college entrance requirements and scholarship offers.	27%	53%	20%	0%	0%
49	Students receive adequate vocational training to prepare them for the workforce, if they choose that path.	10%	70%	20%	0%	0%
50	The virtual charter academy has adequate technical/ technological support for staff.	13%	60%	13%	10%	3%
51	I understand how to use technology as it relates to my job functions.	40%	57%	3%	0%	0%
52	The virtual charter academy website is a useful tool for staff, parents, and students.	20%	43%	27%	7%	3%

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
53	Our virtual charter academy staff and administrators often use email or other social media to communicate with one another.	47%	47%	3%	0%	3%
54	The virtual charter academy has adequate technology to support its operations.	27%	57%	10%	3%	3%

WRITTEN RESPONSES

What do you like best about your Virtual Charter Academy?

Responses

1. Collaborative team
2. I like what our school is about. We are here to help students whom this may be their last change to graduate high school, or they have health issues, or they are the adult in the family. Everyone's motives are to help these students succeed despite any obstacle.
3. I like what ISOK is on paper, all the above items are on paper, they are in place, ISOK has potential.
4. I like that this platform gives some children the perfect learning opportunity. Students with anxiety or other issues that learning face to face would hinder the students, but in this environment they thrive.
5. We have a good staff that strives to help our students. Our advisers work hard to engage students and keep them on track.
6. I work with amazing administrators.
7. With this school, I am actually teaching more than dealing with discipline issues. More students are reached and questions answered at the student pace. Small groups and one on one sessions are available for those that need that extra time on content.
8. The closeness of the teachers in our school. Our school is small, so all the faculty know each other and communicate on a regular basis
9. Being able to help students who others have given up on or let down.
10. The population we serve.
11. What I love most is the relationships and bond we have within our school. All teachers at our school work together as a team to make sure that our students' needs are being met.
12. I love the staff that I work with and our students and families.
13. Working with our students.
14. Students and staff
15. The collaboration of the team
16. The staff I work with and seeing students excel.
17. It is a place that students can feel safe as they reach out to learn more and find out what they can achieve.
18. Being able to work with students one on one any day that they need it.
19. Our staff is close to one another which creates a "family" type atmosphere for our school.
20. I love working for a school who truly cares about students and their success. I love that we are a smaller team of teachers who can collaborate and interact daily. I also love that we can offer services to students to continue their education when they otherwise would probably not be able to continue in a brick and mortar setting.
21. Being able to support students that might not have flourished in a regular school setting. Watching them as they learn to be themselves and not feel like they have to hide who they are is one of the best aspects!

What do you like least about your Virtual Charter Academy? What one suggestion would you give to make it better?

Responses

1. Increase differentiation to support various student needs.
2. What I like least is that the implementation of different programs, schedules, and some specific teacher situations. We also have a lack of support staff to adequately support the needs of our unique student population. A suggestion to make the schedules better- we need to offer what we promise our students, which are credit recovery courses as well as blocks where we do not have all core courses. Another concern is that in the last couple of years there have been about 2 teachers that have been hired who were not supporting their students, not providing grading in a timely manner, and ultimately one who caused the majority of their students to fail the course. This is something that was brought to the teacher and admin attention early, but there was never any change. This cannot happen anymore. It is greatly affecting a large population of our students and putting them behind in their graduation credits. Lastly, we do not have the support we need to help our student population. Our school is in DESPERATE need of another school counselor or counselor support. Due to all of the background work and renewing of courses every 9 weeks, there is no time for the current counselor to help students who are dealing with issues. She does this as she can, but not to the extent that is needed by our student population. There are others support positions we need for our larger grade levels.
3. When I started this position I worked with students, I had groups and I worked with individuals. I truly knew my students. I loved my job. Now most time is spent on "paperwork". Leadership is so busy, that leaves communication is severely lacking. We learn a report is due often by an email telling us a report needs to be completed by COB. Kids are first, but really paperwork is first. Schedules are a mess. They were not well thought out. We have three classes each block, but we can have up to four tested subjects, therefore, we are cramming the test subjects in blocks 2 and 3 and leaving 1 and 4 with mostly electives. This type of planning has students completing physical science and taking biology at the same time so they can get the tested subjects in. Our sped department is improving but has a very long way to go. It is more about IEPs than helping the students. Our principal is stressed and not there to answer needed questions, such as graduation, where will we hold it? She is more focused on changing the ISOK icon, we will need to change diplomas, transcripts, diploma covers. This would seem like a better summer project. We are often told that we are doing a wonderful job and nothing will change only to find everything will change. We need another advisor, so we get a graduation coach, this may be helpful, but this person can only work with 12th graders, that is our smallest class, in the mean time we have 9th graders dropping out. 9th grade needs much more attention. We tell students we have credit recovery classes and have a variety of options for classes, but in reality we have very few options and only three credit recovery classes because it takes the teachers too long to set up the class. This is not putting students first. New teachers need more training. The learning curve is huge. Blocks move too quickly for our students they need more time to get the material, maybe trimesters would be a good option. Late starts kill the students, maybe if they are going to be more than three days late, they need to wait until the next block. The students miss the teaching of how online works and then they are lose for the block and often w//d and go back to their old school. We need to regroup and figure out solutions to our many problems.
4. Too many demands from the company on top of the typical demands just from being a teacher/counselor/principal. Not enough time with the kids. Difficult to teach the students if they do not show up.
5. Communication is very hard some days and lack of it among staff. Some people do not read emails very often and some information gets lost or pushed aside.
6. Constant and frequent technology problems. There are too many platforms. A cutting-edge virtual company should have a cutting-edge platform...one interface with everything else going on behind the scenes.
7. More teachers on staff. We are growing and more is being added which limits that one on one time or small group time that makes this school such an asset to the students and families.
8. The lack of a emotionally bound relationship with others. When you just know someone through the computer, things can be taken the wrong way. I would like more involvement as a team where we get together.

9. That everything changes every year. There is very little continuity from year to year. Stop changing the learning platform every year or two, it confuses families and makes things harder on teachers and students who need to learn how to do everything all over again.
10. lack of career advancement opportunities. Maybe have staff members we serve input on our yearly evaluations.
11. I would like to spend more time with my students and less on other administrative tasks.
12. Streamlined data collection is needed. The data collection tools take too long for a teacher to compile it in one place. We spend more time on this process than interpreting the data, preparing lessons, and teaching.
13. I feel at times that we are more focused on the paperwork side of things than focusing on each student and families. For ISOK, I suggest that we increase our staffing. We need another advisor so that 9th graders have their own advisor and 10th graders have their own advisor. 9th graders require attention and training as it is their first year of high school. Our 9th and 10th grade are also our biggest groups of kids. I also suggest more training for staff when implementing new programs. I feel that as ISOK has implemented FAST there has not been adequate training provided for any of our staff.
14. Way too much time on administrative work. Leave that to the administrators and let teachers work with students.
15. not enough face-to-face interaction
16. Too many emails. Limit emails to specific request or times.
17. Mainstreaming tasks.
18. Communication and personality conflicts have made this year more strained than last year was. It is a worry that I have heard some staff speaking of not wanting to come back due to feeling they are not allowed to be part of solutions to these conflicts and hard feelings from some have made the others feel uncomfortable. I have had a couple of issues myself, but have just become quiet when certain individuals are asking for suggestions.
19. Too much paperwork. Allow more time for teachers to be with students in a variety of ways.
20. Holding people accountable for their jobs and not overlooking some who are hard to contact.
21. The only downside is we are required to work like a regular job 8-5 instead of the normal teaching hours in a brick and mortar. Although this may not pertain to this survey in general I don't like that k12 doesn't allow us to contribute to teacher retirement or have the same insurance offered by the state to other teacher within the state.

Appendix B:
Parent Survey Results

Parent Survey

Surveys Completed:72
Totals may not add to 100 percent due to rounding.

Statistical Data

This survey is about my child s Virtual Charter District	
1. My child is enrolled in the following level:	Responses
7 th -8 th grades	31%
9 th -10 th grades	40%
11 th -12 th grades	29%
2. How long has your child attended this virtual charter school?	Responses
1-2 years	84%
3-4 years	11%
More than 4 years	4 %
3. Has your child attended any of the following schools before enrolling in this virtual charter school?	Responses
Private School	3%
Charter School (brick and mortar)	3%
Public School within your neighborhood/community	96%
Other Virtual Charter School	7%
Homeschool	9%
4. Which reason(s) below best describe why you chose to enroll your child in this virtual charter school?	Responses
a. I believe my child was not receiving adequate protection (e.g. bullying) in previous school	33%
b. I believe my child was not succeeding academically in his/her previous school	50%
c. My child needs the flexibility for his/her schedule (e.g. due to traveling, health issues, sports)	30%
d. This school is my child's last resort (he/she was expelled/suspended from previous school)	4%
e. My child progressed from being homeschooled in the lower grades and will require subject area expertise I cannot provide in the higher grades	4%
f. My child is an accelerated learner and this allows them to progress at a faster pace	7%
*g. Other (please specify)	17%

**See Comments for option g at the end of this survey*

Survey Questions

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
5	Our Virtual Charter school's mission statement is clearly focused on student success.	59%	39%	1%	1%	0%
6	Our school has established goals and a plan for improving student learning.	52%	42%	6%	0%	0%
7	My child's teachers provide a curriculum that meets his/her learning needs.	47%	46%	6%	1%	0%
8	My child's teachers give work that challenges my child.	41%	47%	4%	7%	0%
9	My child's teachers use a variety of teaching strategies and learning activities.	39%	48%	13%	0%	0%
10	My child's teachers meet his/her learning needs by individualizing instruction.	41%	40%	13%	6%	0%
11	My child's teachers work as a team to help my child learn.	54%	34%	9%	3%	0%
12	My child's teachers help me to understand my child's progress.	37%	38%	21%	4%	0%
13	My child's teachers keep me informed regularly of my child's academic progress.	32%	33%	25%	9%	1%
14	My child knows the expectations for learning in all subjects.	46%	43%	10%	1%	0%
15	My child's teachers report on my child's progress in easy to understand language.	35%	42%	19%	4%	0%
16	My child sees a relationship between what is being taught and his/her everyday life.	29%	46%	17%	6%	3%
17	My child is given multiple assessments to measure his/her understanding of what was taught.	37%	47%	13%	3%	0%

Survey Questions		Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
18	My child has up-to-date computers and other technology to use in learning.	56%	39%	3%	3%	0%
29	My child has access to support services based on his/her identified needs.	46%	36%	19%	0%	0%
20	Our virtual charter academy provides qualified staff members to support student learning.	47%	46%	7%	0%	0%
21	Our virtual charter academy provides a safe learning/assessment environment.	37%	31%	31%	0%	0%
22	Our virtual charter academy provides students with access to a variety of informational resources to support their learning.	46%	44%	9%	1%	0%
23	Our virtual charter academy provides excellent student support services (e.g., counseling, and /or career planning).	42%	41%	13%	3%	1%
24	Our virtual charter academy provides opportunities for students to participate in activities that interest them.	41%	49%	7%	1%	1%
25	Our virtual charter academy ensures equity and the effective use of financial resources.	37%	37%	24%	1%	0%
26	My child is prepared for the next grade level in the next school year.	26%	44%	21%	9%	0%

Written Responses

27. *What do you like best about your child's virtual charter academy?*

Responses

1. IDK
2. Understanding and helpful teachers and staff that really do care.
3. no bullying
4. The teachers are amazing. They are supportive and knowledgeable.
5. The flexibility for him to do what is needed when he can. My child is undergoing chemo right now and has very many dr appointments.
6. Access to learning materials.
7. The staff's willingness to help my children in any way. If my child isn't prepared for the next school year, it won't be because of the staff and/or your curriculum.
8. That she is in a safe environment and lots of support in subjects she is having problems with.
9. Freedom to help his grandfather and teachers who are interested in him
10. The flexibility of schedules is not overwhelming & ability to learn in a safe environment
11. That I have a chance to help him learn.
12. Insight gives my daughter real world accountability and personalized attention she would lose in traditional school due to size.
13. My daughter now makes better grades because she can work at her own pace and can take her time on tests and work. That she doesn't have hours on end doing homework like she would bring home from her previous school.
14. Teachers respond to his questions quickly
15. The way she has the ability to redo her work as many times as needed for her to master the concept.
16. I feel it is geared toward learning, and not just getting through the curriculum.
17. Flexibility of schedule & block semesters
18. Being able to communicate with teachers easily.
19. My child is able to communicate with the teacher easily.
20. I can easily track her work and grades
21. Flexibility
22. He is able to relax and concentrate to get his work done. And he can go at his own pace.
23. The flexibility of when they can get their work done.
24. It utilizes technology. He loves computers, phones, ipads, etc. He can focus better on a computer than in a classroom.
25. The extra time.
26. The ability to be flexible with his learning time
27. its flexibility
28. The flexibility it offers him as an ADHD learner.
29. She can work at her own pace
30. she can learn at her pace and the teachers are amazing with helping her most of the time.
31. Easy access.
32. VCA allows my daughter to excel with her academics at her own pace and also allows her do do this without all of the usual classroom disruptions.
33. I can monitor her lessons to make sure that she does her work
34. I think its a good learning environment with teachers that care and I can keep up with hows hes doing day to day.
35. The class connect sessions.
36. Flexible scheduling. Only working on a few courses at a time to ensure better understanding and less stress.
37. I like the block scheduling so it doesn't require a lot of time every day.
38. teachers
39. The flexibility
40. Flexible
41. The ease of use and the interaction with the teachers.
42. She's happy and loves school now.

43. The teachers actually care and show concern for the students. I like the fact that if a student appears down online in class, they will call or email the student to check on them. The teachers are very patient as well.
44. She can redo work if needed
45. That he attends classes and is still in school.
46. Flexibility
47. Allows them to have one on one help without distraction
48. Everyone willing to help and very patient
49. The teachers and the support my child receives from the academy.
50. My boys can work alone and get help more than they would in a class full of students.
51. The academics
52. K12 keeps me informed on every move my child makes. Every assignment that has been turned in and ones that haven't. Every email my child gets I also get it too.
53. That he's learning and enjoying school.

28. What do you like least about your child's virtual charter school?

Responses

1. IDK
2. I feel he is missing a social education.
3. too much potential to get off track
4. The staff.
5. There aren't many clubs or classes being offered that interest my son or are available to get him started in his career choice.
6. Not sure at this time
7. That my kids can't schedule four hours divided between two subjects each day, rather than one hour each subject.
8. the field trips.. we live 2 1/2 hrs east of Tulsa and are unable to attend the special events
9. Nothing
10. So much time on the computer and not enough written work.
11. Nothing
12. That she doesn't get the interaction with her peers. She is very shy and doesn't want to attend outing for fear of having seizures from her epilepsy.
13. Nothing
14. Nothing.
15. Testing, testing, testing
16. Less social interaction
17. I have not received any feedback from the teachers
18. Computer issues that gives him trouble at times to log on for cc.
19. It is not easy to get in touch with the teachers or staff when I have concerns about specific things in a class.
20. I have difficulty as learning coach navigating everything
21. I wish there was one extra class to make it more like full-time college.
22. Nothing so far has been great
23. no textbooks
24. That overdue assignments do not show up in the overdue list.
25. this is our first year so it has been hard to understand the process.
26. O
27. it is very hard for me to get to what my child is seeing when I am checking on her work or when she needs me to help her.
28. I fail to see the portability, or mobility of this system and the ability to move ahead, does not seem to exist.
29. The only thing I like least is the lack of more than 1 teacher in certain curriculum subjects. Due to this lack thereof, I firmly believe that if said "teacher" does not teach said lessons to the ability of instructional lessons and expects student to automatically learn, there should be other options for students with another instructor.
30. nothing
31. Nothing I can think of
32. Lack of response when trying to communicate with teachers.

33. Socialization with peers.
34. There is a lot of reading that is not provided in the course and alternate resources are time consuming, IF they can be used. I was informed that the course work would be read to him which it is not.
35. internet
36. It is sometimes hard to maneuver through trying to verify my student is getting all her work completed.
37. A lot of homework
38. There aren't enough outings where all the kids can get together.
39. Nothing at this time
40. None
41. The lack of classes that would be practical for everyday living, or at least elective classes.
42. Some items you can not find or get to upload
43. Didn't know about this school sooner
44. Nothing
45. Some of the assignments you can not get to upload
46. The teachers
47. I have no complaints! K12 has been the best thing for my child.
48. Sometimes it seems like it doesn't understand that not everyone's home life is the same.

30. What suggestions would you like to offer to improve our virtual charter school?

Responses

1. nothing
2. More diverse electives. Different foreign languages, web design, app development, graphic design, etc.
3. None
4. None
5. maybe more electives to chose from.
6. More reading in a book for English and not on three computer
7. Nothing
8. I think having a study group a few times a month where the kids had to meet at a library to work on a project such as a paper or research for a science fair type thing would benefit the kids like my daughter or once a month a study group that is required, so the kids are getting with kids that are their age.
9. None at this time
10. Can't think of any at this time.
11. It would be nice to have a few more minutes for lunch break.
12. More group outings
13. Not at this time, very happy with the Academy.
14. I would like it if the kids had a way to CLEP classes and still get the credits for them.
15. none
16. get textbooks for the kids that needs it
17. O
18. make the learning coaches page mirror the students page so we can see what they see.
19. Some advice on the above might be nice.
20. I would absolutely suggest that VCA would offer more than ! teacher in subject curriculum.
21. none
22. None
23. Better personal communication between teachers and students.
24. None. We love ISOK!
25. Simplify the system. There is too much going on with having to go here but don't go here and remember to submit here. I would have liked it better more cut and dry. Here is what needs to get done this week, this is where you turn it in, and have a good week. ALL CC's should be optional. I am an online college student. Each course is 5 weeks. We pop into the week we are currently in and have due dates. We have complete control over when we do them as long as they hit the due dates. I HATE the grading system that is used, it is confusing as to what is done and needs to be done.
26. I like it the way it is.
27. none

28. None
29. Send out periodic grade notices, and try to get the kids together more often.
30. That the testing would be closer to us .
31. Nothing at this time
32. None
33. Elective classes, at least one elective in each block.
34. Agriculture education (FFA)
35. Nothing
36. More advertising
37. None at this time.
38. Nothing
39. None
40. Maybe just a little easier for new students on the first day of class. As to where to go and login and things.
41. I do not have any suggestions

***Responses from Question #4 option g:**

Other (please specify)

1. being bullied
2. bullying
3. She does not do well in crowds, anxious, low self esteem, etc. She is doing so much better as far as self esteem goes.
4. To build confidence in my child.
5. My child was having severe anxiety issues after we moved from a small community with a single small school for grades k-12 to a city with multiple schools for grades 6-8. The larger school environment made her very anxious and I talked with her school counselor and we agreed that making her go wasn't in her best interest; so, here we are.
6. He was not being taught.
7. lack of parent support
8. my child has never liked public school
9. Anxiety prevents child from attending school in person.
10. Didn't like the classroom distraction
11. Just got guardianship of Student after moving around different schools. Decided it was best to try online until she is settled in.
12. My child is board at traditional school and was ready to drop out. He supposed to be a Sr this year but only has as many credits as most sophomores. This discarded him too when he signed up for ISOK and they told him he is now a sophomore.

Appendix C:
Student Survey Results

Student Survey

Surveys Completed: 107

Totals may not add to 100 percent due to rounding.

Statistical Data

1. What is your current grade?	
7th grade	8%
8th grade	8%
9th grade	30%
10th grade	18%
11th grade	24%
12th grade	11%
2. How long have you attended Insight Virtual Academy?	
1-2 years	83%
3-4 years	16%
More than 5 years	1%
3. How much time do you spend each day attending virtual classes and/or completing assignments?	
1-3 hours per day	31%
4-6 hours per day	57%
More than 6 hours per day	13%
*Other (See Comments at the end of this Survey	5 responses

Survey Questions - Set A

Survey Questions	Strongly Agree	Agree	Disagree	Strongly Disagree
Overall, I feel good about being in this virtual charter school environment.	37%	57%	4%	2%
Teachers engage me in virtual classroom discussions.	28%	66%	5%	0%
I am encouraged to be creative in classroom assignments and projects.	34%	56%	10%	0%
The rules and policies of this virtual charter school are fair.	41%	53%	4%	1%

Continue to Survey Questions - Set B

Survey Questions - Set B

Which e-learning formats do most of your teacher(s) use and to what degree does he/she use them for instruction?	Not at all	Very Little	Some	Very Much
Face-to-Face	44%	26%	24%	6%
Synchronous (at a specific time each day)	4%	13%	21%	63%
Asynchronous (anytime during the day)	17%	25%	42%	16%
How much do each of the following activities and assignments interest or engage you?	Not at all	Very Little	Some	Very Much
Teacher lectures (through video or other technological means)	6%	21%	55%	17%
Discussions and debates (online interactive formats such as google hangouts)	11%	18%	53%	19%
Individual/independent readings	4%	11%	42%	42%
Writing projects	14%	24%	43%	17%
Research projects	9%	14%	50%	27%
Group projects through online technology.	24%	21%	34%	20%
Giving presentations and speeches (e.g., Skype, webinar, etc.).	32%	35%	22%	11%
Art, drama activities, and role plays	30%	21%	26%	23%
Projects and lessons involving personal device apps or other technology sources.	13%	22%	40%	25%
Memorizing facts and figures for courses	15%	9%	52%	34%
Analyzing ideas during class or for assignments	2%	4%	54%	39%
How much does your school emphasize each of the following?	Not at all	Very Little	Some	Very Much
Spending time preparing for standardized tests	4%	3%	44%	48%
Participating in school events and activities (athletics, plays, academic competitions)	13%	21%	40%	26%
Using technology tools (e.g., Google apps for education, virtual field trips, etc.) for class work.	3%	15%	54%	28%
Furthering education or training beyond high school	3%	11%	40%	46%
How much has your experience at this school contributed to your development in the following areas?	Not at all	Very Little	Some	Very Much
Acquiring skills for a job after completing high school.	4%	15%	43%	37%

How much has your experience at this school contributed to your development in the following areas? (cont.)	Not at all	Very Little	Some	Very Much
Writing effectively	2%	17%	47%	34%
Thinking critically (reasoning, asking “Why”)	1%	9%	50%	39%
Developing creative ideas and solutions	3%	11%	49%	37%
Reading and understanding challenging materials	1%	7%	57%	36%
Using technology to gather and communicate information.	0%	8%	42%	51%
Working well with others to complete a task or project.	7%	26%	41%	26%
Developing career goals	2%	14%	37%	47%
Treating people with respect.	1%	1%	26%	71%
Effort in Courses	None	Some	Most	All
About how many of your courses challenge you to your full academic potential?	1%	26%	43%	29%
In about how many courses do you give your maximum effort?	1%	11%	35%	53%
In about how many courses do you put forth very little effort?	67%	21%	8%	4%

Written Responses

What suggestions would you like to offer to improve our virtual charter school?

Responses

1. i dont have any at this time
2. more help in "what to do if this happens on your computer", and NO late enrollment, starting BEHIND and LATE on assignments is VERY DISCOURAGING
3. Fix computer glitch but there is not many
4. More foreign language options. I would rather learn French, Japanese, German, or anything other than Spanish. Also I want to design video games there should be more classes for this type of career choice.
5. no suggestions.
6. none
7. None
8. I dont like lockdown browser, it is too much if it would stay open but you have to exit and then reopen it.
9. Fix the school email or bring back kmail because communicating with teachers through email is difficult.
10. The classes should be smaller because sometimes the teachers don't really look at the chat box or private chat and never answer my questions
11. Less scheduled cc's. Able to do it more on my own with recordings.
12. more outings
13. Hire someone who can design your web site better.
14. My schedule completely changed
15. Chocolate milk in the nonexistent water fountains... In all seriousness I couldn't think of anything.
16. I don't have any.
17. being able to help other and do projects.
18. Nothing, It's great! Much better than my old school!

19. none.
20. More outing in
21. Better instructions on how to turn in some assignments.
22. Up date on the computer soft ware, because of trouble accessing websites and logging into classes.
23. I don't have any.
24. I wish most of the field trips weren't on a Friday, for example my mom is off Tues-Thurs and where she works they aren't very flexible for asking off, if other kids are facing the same problem then they won't be able to go to the outing and that sucks.
25. My only complaint is that the home screen always changes back to the dragonfly no matter how many times I click the raccoon. If that could be fixed so that it stops changing back, I would greatly appreciate it.
26. I think it's pretty good as it is, at least as far as a student is concerned, but I'm a Christian and would like more freedom to talk about my beliefs because they are a part of who I am. Also freedom for other religions in the schools. Like a job it's our choice, what we believe is completely up to us, and it's the schools job to inform us of our choices instead of limiting them. I think religious classes should be added for us to choose what we want to believe with the information provided.
27. Try to make it a little easier when someone just starts in the program, because it was a little difficult in the beginning for me.
28. I like textbooks. My eyes get bad after staring at the computer
29. Have the teachers offer more grouping and more efforts to get us all to talk and discuss the subject (Most do)
30. class connect sessions seem below grade level sometimes
31. explain things better
32. None
33. n/a
34. its as great as it is
35. none
36. maybe some more teachers in a classroom because we are getting so many more students
37. I don't know
38. Just making the login process before school starts either simpler or explained just a little more. Kinda felt out of sorts the first day of school.
39. You are doing great
40. Keep things simple
41. I have no suggestions at the moment.
42. fixing bugs on the site as soon as possible
43. none
44. Just keep doing your very best!
45. They are all doing fine in my option.
46. They are doing a good job the improvements this year helped a lot.
47. get rid of art class
48. None, It is great they way it is.
49. I have none I can think of right now
50. Offer different language classes, like German, French, Russian.
51. i dont have any improve to the virtual charter school
52. N/A
53. I would like it if the worksheets were on microsoft word so that I can write on them and complete them. A lot of the worksheets I am given I cant write on and require a specific printer to complete.
54. nothing
55. Nothing to add.
56. Coding and video game clubs for old kids like 9th- 10th graders
57. I think it would help me and others if for each block we had one subject. Example: 1st block = Science, 2nd block = Math, 3rd block = English, 4th block = History, but still our electives. I really, really hope you consider this idea because it would help me so much.
58. Life Skills, such as the things normal schools dont teach us. To be able to create friends.
59. none
60. N/A

61. Not required Class Connects. I know it helps out some, but some students hate them, and work better at different times. I've suggested this every year, and I think it's something ISOK should heavily reconsider.
62. can't think of anything .
63. One or two projects/assignments with a group of students so we/they can learn how to get along with people even if they have different points of view.

What do you like best about your school?

1. the teachers helping you as much as they can to get you to pass to the next grade
2. the teachers!!!! and more relaxed, not worried about being around rude or mean kids
3. I can get my work done faster and hopefully graduate on time
4. They teachers they work with me and my health issues.
5. The "Plan" for each class.
6. i dont know
7. I like it when I get real textbooks.
8. can interact online when cant visit them face to face and like being able to study from home
9. Flexible time
10. i like that i can stay at home
11. I can do it when I feel like it (when health allows)
12. being able to communicate with my teacher
13. i can focus
14. easy scheduling
15. My teachers and that it is very interactive
16. The fact that it's online since I can pretty much do things at my own pace. The CC's are one of my favorite parts as well.
17. I don't have any.
18. classes
19. Everything! Not being picked on, like in my old school.
20. Being able to work at my own pace i am a little slow when it comes to work because it takes me a little bit to understand.
21. Teachers and the students and the CC and the work
22. The classes are broken up into sections which make the work load much easier to get done.
23. The environment that surrounds it. All the people and teachers are really nice.
24. The communication, and the independence you have.
25. I can do my work (except for CCs) on my own time.
26. The fact that I can make friends easy here because we've all been through similar crap. (bullied, suicide, depression, abused, ect ect)
27. That i don't have to rush around my schedule, i know whats planned and then how i can plan with it.
28. Mrs. Rathbone
29. The students and overall environment of the online school
30. working at my own schedule
31. its mostly on my time
32. It is all done online
33. It's personal.
34. that i dont have to wake up at 6 in the morning
35. The teachers actually care.
36. its at home
37. the games
38. it gives me a chance to get the help I need in the classes I need most help in
39. The staff, they are all very helpful and caring.
40. I like having the option to email my teachers if i have a question and I like being able to go into live help for help if I need
41. That you all keep me in the loop of what is going on with my child.
42. my classes fit my schedule
43. That there is no distractions

44. I like the home page, I like the raise your hand, the discussions, and most of all, the yahoo messaging and the school email.
45. being able to create my own schedule and work at my own pace
46. how many games we play to learn
47. The teachers are dedicated to help us as students to have better learning.
48. If I miss a class it's recorded; I can go to the recorded session and see what I missed.
49. The way it lets me continue my education and be at home.
50. math exists
51. Teachers are very kind and helpful.
52. The school itself
53. I don't have to deal with the stress of being in an actual classroom.
54. the teacher help you learn the tasks that you are struggleing in and alot more
55. It being very easy to get the hang of, and I don't have to be around a lot of other people like I would be in a public school.
56. That we can do our work any time of the day and we still have breaks like a regular public school.
57. that i can do my work throughout the day and turn it in not always on the day that its assigned.
58. Being able to stay home not be in a public setting, but I can still contact my teachers.
59. I like the way that it's flexible to people's schedules
60. Home cooked meals (:
61. Its something i can do from home rather than being out and about with people i dont have a choice to be around.
62. don't have to wake up early
63. The Flexibility
64. That they are so focus what's coming after high school, and how they prepare you for it.
65. It's easy.
66. I like that all teachers, and staff are so nice minus when they get on to someone about school work.
67. Being able to do my work when i want to.

What do you like least about your virtual charter school?

Responses

1. some times not knowing what to do about the assignments i have
2. getting started and learning how to adjust to online learning was harder than expected
3. Nothing I like the school very much
4. The elective choices.
5. I like everything.
6. That its not on my own time and has to be done at a certain time
7. The outings are usually too far away from where I live
8. lockdown browser, sometimes the teacher think that if you are online the work will be easier but it is not
9. Communication with the new school email system
10. the student to teacher ratio
11. Having to be on the computer everyday.
12. its kinda hard
13. working with computers
14. im not sure
15. Bugs, but every piece of technology bugs out every now and then, from the website to my computer...
16. Nothing that's the school faults.
17. math and english
18. Probably the class connects, because it is very difficult to get to be able to go to them, with a busy schedule.
19. none.
20. Nothing I don't have a lest about this school. I love this school
21. I have been assigned to more than one study at the same time.
22. Slow computer and some of the websites that have to be used for the computer.

23. I don't think there's anything i don't like about it.
24. Having Homeroom everyday.
25. I don't like how little social interaction there is. We only have the outings to actually talk to other students without having to focus primarily on one subject.
26. a lot of the kids are anti-social and with good reason to be.
27. I cant think of anything right now.
28. nothing
29. Not being 100% involved
30. there seems to be a need for me to attend live class connect sessions but they all conflict with my daily schedule so I have to watch the video for all
31. that things are not explained very well
32. How much monkeying around is in chat during classes.
33. Live CC's aren't really flexible.
34. that a lot of the teachers aren't really contacting me very often
35. Not being able to private message a classmate (after class is over, of course).
36. nothing
37. nothing really I really like everything
38. Nothing, I love my school.
39. There isn't really anything i don't like
40. Nothing. I love this school.
41. having to use Wi-Fi or data
42. The amount of work
43. Nothing.
44. having required class connects everyday
45. how early I have to get up
46. nothing
47. The system is perfectly fine the way it is, in my opinion that is.
48. Reports that I have to do.
49. art exists
50. Nothing, I like the whole school.
51. It tends to confuse me...
52. That is doesn't offer more language classes.
53. none
54. N/A
55. How some of the worksheets are set up, and laboratories.
56. that i have to rewatch the whole class connect if i miss it, because if i skip any part apparently it sees it and it doesn't mark my attendance. the only reason i would skip it, is because a teacher isn't staying on topic and she is kind of goofing off for the most part with the class.
57. I like my virtual school.
58. It's harder to make friends
59. The plan, but it's mainly having more than one subject at a time because, it kinda gets me confusing, and stresses me out a lot. I don't like the fact it's hard to make friends. Part of me also feels the need to say that Native American history could be taught a lot better than what it is.
60. i have to sit in front of a computer almost the whole day
61. Class Connects.
62. can't think of anything .
63. I can't think of a thing I don't like about my school.

Comments from Question #3

1. I spend as much time as possible, but miss days due to my current situation at times. Days I miss, I make up for the next, so I suppose my answer varies.
2. on the days that I have to work, I only spend 1-3
3. recently I haven't recently had surgery and am still recovering
4. close to 10 hours a day
5. a or b

Appendix D:
Resources Referenced In Chapter 2



Quillayute Valley School District
Insight School in Washington

COMPREHENSIVE
COURSE CATALOG

Version 1 – Last updated 4/22/2016

2016-2017

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Course Credit Eligibility Matrix

	Algebra I	Algebra II	Art	Contemporary World Issues	Elective	English	Health	Health/PE	Lab	Math	Occupational Education	Pacific Northwest History	Science	Senior Project	US Government	Civics	US History
Art Appreciation-AVT WA																	
BUS040 Introduction to Entrepreneurship I																	
BUS050 Introduction to Entrepreneurship II																	
BUS060 Introduction to Marketing I																	
Career Planning-AVT																	
Contemporary World Issues A-AVT WA																	
Contemporary World Issues B-AVT WA																	
CS Culminating Project WA																	
ENG001A-APL English Foundations I																	
ENG001B-APL English Foundations I																	
ENG011A-APL English Foundations II A																	
ENG011B-APL English Foundations II B																	
ENG030A-AVT Creative Writing																	
ENG030B-AVT Creative Writing																	
ENG108 English 9 A																	
ENG108 English 9 B																	
ENG106A English I																	
ENG106B English I																	
ENG208 English 10 A																	
ENG208 English 10 B																	

	Algebra I	Algebra II	Art	Contemporary World Issues	Elective	English	Health	Health/PE	Lab	Math	Occupational Education	Pacific Northwest History	Science	Senior Project	US Government	Civics	US History
ENG206A English II																	
ENG206B English II																	
ENG303 American Literature A																	
ENG303 American Literature B																	
ENG306A English III																	
ENG306B English III																	
ENG403 British & World Literature A																	
ENG403 British & World Literature B																	
ENG406A English IV																	
ENG406B English IV																	
Grammar and Composition A-AVT																	
Grammar and Composition B-AVT																	
Health-AVT																	
HST020-AVT Psychology																	
HST050A-AVT Sociology																	
HST050B-AVT Sociology																	
HST103 World History A																	
HST103 World History B																	
HST213A-AVT Geography																	
HST213B-AVT Geography																	
HST303A U.S. History																	
HST303B U.S. History																	
HST306A-AVT American History																	
HST306B-AVT American History																	
HST403 US Government and Politics																	

	Algebra I	Algebra II	Art	Contemporary World Issues	Elective	English	Health	Health/PE	Lab	Math	Occupational Education	Pacific Northwest History	Science	Senior Project	US Government	Civics	US History
HST406-AVT American Government																	
ENG010 Journalism																	
MTH001A-APL Math Foundations I																	
MTH001B-APL Math Foundations I																	
MTH011A-APL Math Foundations II																	
MTH011B-APL Math Foundations II																	
MTH128A Algebra I																	
MTH128B Algebra I																	
MTH126A Algebra I																	
MTH126B Algebra I																	
MTH208A Geometry																	
MTH208B Geometry																	
MTH206A Geometry																	
MTH206B Geometry B																	
MTH308A Algebra II																	
MTH308B Algebra II																	
MTH322A-AVT Consumer Math																	
MTH322B-AVT Consumer Math																	
MTH342A-AVT Accounting																	
MTH342B-AVT Accounting																	
MTH403A Pre-Calculus/Trigonometry																	
MTH403B Pre-Calculus/Trigonometry																	
MTH433A-AVT Calculus																	
MTH433B-AVT Calculus																	

	Algebra I	Algebra II	Art	Contemporary World Issues	Elective	English	Health	Health/PE	Lab	Math	Occupational Education	Pacific Northwest History	Science	Senior Project	US Government	Civics	US History
Music Appreciation-AVT																	
ORN100 Advisory SM2 Finding Your Path I																	
ORN200 Advisory SM2 Finding Your Path II																	
ORN300 Advisory SM2 Finding Your Path III																	
ORN400 Advisory SM2 Finding Your Path IV																	
OTH020A Physical Education																	
OTH020B Physical Education																	
OTH038-DYN Careers in Criminal Justice																	
OTH039-DYN Criminology																	
OTH090-AVT Life Skills																	
OTH091-DYN Law and Order																	
Personal Finance-AVT																	
Pre-Algebra A-AVT WA																	
Pre-Algebra B-AVT WA																	
SCI010 Environmental Science																	
SCI030 Forensic Science																	
SCI102AX Physical Science																	
SCI102BX Physical Science																	
SCI106AX Physical Science																	
SCI106BX Physical Science																	
SCI113AX Earth Science																	
SCI113BX Earth Science																	
SCI203AX Biology																	
SCI203BX Biology																	
SCI206A Biology																	
SCI206B Biology																	

	Algebra I	Algebra II	Art	Contemporary World Issues	Elective	English	Health	Health/PE	Lab	Math	Occupational Education	Pacific Northwest History	Science	Senior Project	US Government	Civics	US History
SCI303AX Chemistry																	
SCI303BX Chemistry																	
SCI403AX Physics																	
SCI403BX Physics																	
TCH010 Computer Literacy																	
TCH017 3D Art I - Modeling																	
TCH018 3D Art II - Animation																	
TCH028 Digital Arts I																	
TCH029 Digital Arts II																	
TCH036 Computer Science																	
TCH040 Web Design																	
TCH060 C++ Programming																	
TCH061-AVT Programming I VB.Net																	
TCH062-AVT Programming II Java																	
TCH070 Game Design																	
TCH101-AVT Digital Photography																	
WAH100 Washington State History																	
WLG100A Spanish I																	
WLG100B Spanish I																	
WLG110A French I																	
WLG110B French I																	
WLG120A German I																	
WLG120B German I																	
WLG200A Spanish II																	
WLG200B Spanish II																	
WLG210A French II																	
WLG210B French II																	
WLG220A German II																	
WLG220B German II																	

Courses by Credit Type

Credit Type	Course Name	OLS Course Name	Terms Offered	Note
ALG1	Algebra I A	MTH128A Algebra I	S1	
ALG1	Algebra I A CR	MTH126A Algebra I	S1, S2	*
ALG1	Algebra I B	MTH128B Algebra I	S2	
ALG1	Algebra I B CR	MTH126B Algebra I	S1, S2	*
ALG2	Algebra II A	MTH303A Algebra II	S1	
ALG2	Algebra II A CR	MTH306A Algebra II	S1, S2	*
ALG2	Algebra II B	MTH303B Algebra II	S2	
ALG2	Algebra II B CR	MTH306B Algebra II	S1, S2	*
ART	3D Art I - Modeling	TCH017 3D Art I - Modeling	S1	
ART	3D Art II - Animation	TCH018 3D Art II - Animation	S2	
ART	Art Appreciation	Art Appreciation-AVT WA	S2	
ART	Digital Arts I	TCH028 Digital Arts I	S1	
ART	Digital Arts II	TCH029 Digital Arts II	S2	
ART	Digital Photography	TCH101-AVT Digital Photography	S1, S2	
ART	Music Appreciation	Music Appreciation-AVT	S1, S2	
CIV	American (US) Government	HST403 US Government and Politics	S1, S2	
CIV	U.S. Government CR	HST406 American (US) Government	S1, S2	*
CWI	Anthropology	HST010-APL Anthropology	S1, S2	
CWI	Contemporary World Issues A	Contemporary World Issues A-AVT WA	S1	
CWI	Contemporary World Issues B	Contemporary World Issues B-AVT WA	S2	
CWI	Geography A	HST213A-AVT Geography	S1	
CWI	Geography B	HST213B-AVT Geography	S2	
CWI	Sociology A	HST050A-AVT Sociology	S1	
CWI	Sociology B	HST050B-AVT Sociology	S2	
CWI	World History A	HST103A World History	S1	
CWI	World History B	HST103B World History	S2	
CWI	World History A CR	HST106A World History	S1, S2	*
CWI	World History B CR	HST106B World History	S1, S2	*
ELE	AP Spanish A	WLG500A AP(R) Spanish Language and Culture	S1	
ELE	AP Spanish B	WLG500B AP(R) Spanish Language and Culture	S2	
ELE	Criminology	OTH039-DYN Criminology	S1, S2	
ELE	English Foundations I A	ENG001A-APL English Foundations I	S1	
ELE	English Foundations I B	ENG001B-APL English Foundations I	S2	
ELE	English Foundations II A	ENG011A-APL English Foundations II A	S1	
ELE	English Foundations II B	ENG011B-APL English Foundations II B	S2	
ELE	Finding Your Path I	ORN100 Advisory SM2 Finding Your Path I	S1, S2	*

Credit Type	Course Name	OLS Course Name	Terms Offered	Note
ELE	Finding Your Path II	ORN200 Advisory SM2 Finding Your Path II	S1, S2	*
ELE	Finding Your Path III	ORN300 Advisory SM2 Finding Your Path III	S1, S2	*
ELE	Finding Your Path IV	ORN400 Advisory SM2 Finding Your Path IV	S1, S2	*
ELE	French I A	WLG110A French I	S1	
ELE	French I B	WLG110B French I	S2	
ELE	French II A	WLG210A French II	S1	
ELE	French II B	WLG210B French II	S2	
ELE	French III A	WLG310A French III	S1	
ELE	French III B	WLG310B French III	S2	
ELE	French IV A	WLG410A French IV	S1	
ELE	French IV B	WLG410B French IV	S2	
ELE	German I A	WLG120A German I	S1	
ELE	German I B	WLG120B German I	S2	
ELE	German II A	WLG220A German II	S1	
ELE	German II B	WLG220B German II	S2	
ELE	German III A	WLG320A German III	S1	
ELE	German III B	WLG320B German III	S2	
ELE	German IV A	WLG420A German IV	S1	
ELE	German IV B	WLG420B German IV	S2	
ELE	Law and Order	OTH091-DYN Law and Order	S1, S2	
ELE	Math Foundations I A	MTH001A-APL Math Foundations I	S1	
ELE	Math Foundations I B	MTH001B-APL Math Foundations I	S2	
ELE	Math Foundations II A	MTH011A-APL Math Foundations II	S1	
ELE	Math Foundations II B	MTH011B-APL Math Foundations II	S2	
ELE	Pre-Algebra A	Pre-Algebra A-AVT WA	S1	
ELE	Pre-Algebra B	Pre-Algebra B-AVT WA	S2	
ELE	Psychology	HST020-AVT Psychology	S1, S2	
ELE	Spanish I A	WLG100A Spanish I	S1	
ELE	Spanish I B	WLG100B Spanish I	S2	
ELE	Spanish II A	WLG200A Spanish II	S1	
ELE	Spanish II B	WLG200B Spanish II	S2	
ELE	Spanish III A	WLG300A Spanish III	S1	
ELE	Spanish III B	WLG300B Spanish III	S2	
ELE	Spanish IV A	WLG400A Spanish IV	S1	
ELE	Spanish IV B	WLG400B Spanish IV	S2	
ELE	World History A	HST103A World History	S1	
ELE	World History A CR	HST106A World History	S1, S2	*

Credit Type	Course Name	OLS Course Name	Terms Offered	Note
ENG	Creative Writing A	ENG030A-AVT Creative Writing	S1	
ENG	Creative Writing B	ENG030B-AVT Creative Writing	S2	
ENG	English 9 A	ENG108A English 9	S1	
ENG	English I A CR	ENG106A English I	S1, S2	*
ENG	English 9 B	ENG108B English 9	S2	
ENG	English I B CR	ENG106B English I	S1, S2	*
ENG	English 10 A	ENG208A English 10	S1	
ENG	English II A CR	ENG206A English II	S1, S2	*
ENG	English 10 B	ENG208B English 10	S2	
ENG	English II B CR	ENG306B English II	S1, S2	*
ENG	English III A	ENG303A American Literature	S1	
ENG	English III A CR	ENG306A English III	S1, S2	*
ENG	English III B	ENG303B American Literature	S2	
ENG	English III B CR	ENG306B English III	S1, S2	*
ENG	English IV A	ENG403A British and World Literature	S1	
ENG	English IV A CR	ENG406A English IV	S1, S2	*
ENG	English IV B	ENG403B British and World Literature	S2	
ENG	English IV B CR	ENG406B English IV	S1, S2	*
ENG	Grammar and Composition A	Grammar and Composition A-AVT	S1	
ENG	Grammar and Composition B	Grammar and Composition B-AVT	S2	
ENG	Journalism	ENG010 Journalism	S1, S2	
HEA	Health	Health-AVT	S1, S2	
HPE	Physical Education C	OTH020A Physical Education	S1	
HPE	Physical Education D	OTH020B Physical Education	S2	
LAB	Biology A	SCI203AX Biology	S1	
LAB	Biology A CR	SCI206AX Biology	S1, S2	*
LAB	Biology B	SCI203BX Biology	S2	
LAB	Biology B CR	SCI206BX Biology	S1, S2	*
MAT	Calculus A	MTH433A-AVT Calculus	S1	
MAT	Calculus B	MTH433B-AVT Calculus	S2	
MAT	Consumer Math A	MTH322A-AVT Consumer Math	S1	
MAT	Consumer Math B	MTH322B-AVT Consumer Math	S2	
MAT	Geometry A	MTH208A Geometry	S1	
MAT	Geometry A CR	MTH206A Geometry	S1, S2	*
MAT	Geometry B	MTH208B Geometry	S2	
MAT	Geometry B CR	MTH206B Geometry	S1, S2	*

Credit Type	Credit Type	Credit Type	Credit Type	Credit Type
MAT	Personal Finance	Personal Finance-AVT	S1, S2	
MAT	Pre-Calculus	MTH403A Pre-Calculus/Trigonometry	S1	
MAT	Trigonometry	MTH403B Pre-Calculus/Trigonometry	S2	
OCC	3D Art I - Modeling	TCH017 3D Art I - Modeling	S1	
OCC	3D Art II - Animation	TCH018 3D Art II - Animation	S2	
OCC	Accounting A	MTH342A-AVT Accounting	S1	
OCC	Accounting B	MTH342B-AVT Accounting	S2	
OCC	C++ Programming	TCH060 C++ Programming	S2	
OCC	Career Planning	Career Planning-AVT	S1, S2	
OCC	Careers in Criminal Justice	OTH038-DYN Careers in Criminal Justice	S1, S2	
OCC	Computer Literacy	TCH010 Computer Literacy	S1, S2	
OCC	Computer Science	TCH036 Computer Science	S1	
OCC	Digital Arts I	TCH028 Digital Arts I	S1	
OCC	Digital Arts II	TCH029 Digital Arts II	S2	
OCC	Digital Photography	TCH101-AVT Digital Photography	S1, S2	
OCC	Game Design	TCH070 Game Design	S1, S2	
OCC	Intro to Entrepreneurship I	BUS040 Introduction to Entrepreneurship I	S1	
OCC	Intro to Entrepreneurship II	BUS050 Introduction to Entrepreneurship II	S2	
OCC	Intro to Marketing I	BUS060 Introduction to Marketing I	S1	
OCC	Life Skills	OTH090-AVT Life Skills	S1, S2	
OCC	Programming I (VB.Net)	TCH061-AVT Programming I VB.Net	S1	
OCC	Programming II (Java)	TCH062-AVT Programming II Java	S2	
OCC	Web Design	TCH040 Web Design	S1, S2	
PNW	Washington State History	WAH100 Washington State History	S1, S2	
SCI	Chemistry A	SCI303AX Chemistry	S1	
SCI	Chemistry B	SCI303BX Chemistry	S2	
SCI	Earth Science A	SCI113AX Earth Science	S1	
SCI	Earth Science B	SCI113BX Earth Science	S2	
SCI	Environmental Science	SCI010 Environmental Science	S1	
SCI	Forensic Science	SCI030 Forensic Science	S2	
SCI	Physical Science A	SCI102AX Physical Science	S1	
SCI	Physical Science A CR	SCI106AX Physical Science	S1, S2	*
SCI	Physical Science B	SCI102BX Physical Science	S2	
SCI	Physical Science B CR	SCI106BX Physical Science	S1, S2	*
SCI	Physics A	SCI403AX Physics	S1	
SCI	Physics B	SCI403BX Physics	S2	
SRP	Culminating Project-Washington	CS Culminating Project WA	S1, S2	
USG	American (US) Government	HST403 US Government and Politics	S1, S2	
USG	U.S. Government CR	HST406 American (US) Government	S1, S2	*

Credit Type	Course Name	OLS Course Name	Terms Offered	Note
USH	American History A	HST303A US History	S1	
USH	American History A CR	HST306A-AVT American History	S1, S2	*
USH	American History B	HST303B US History	S2	
USH	American History B CR	HST306B-AVT American History	S1, S2	*

* Not available for student selection. Assigned by Administration.

PLC Meeting Agenda (Elementary)

Teacher: _____ Team _____ Date: ___/___/___

SELECT & STUDY THE STANDARDS AND OBJECTIVES

1. Review the pacing calendar. What objectives have been assigned for the upcoming week?
2. Read the item specifications of the objectives you are going to teach next week. Consider the following:
 - a. The **Emphasis** of the objective?
 - b. The **Stimulus Attributes** of the objective?
 - c. The **Content Limits** of the objective?
 - d. What is the **Format** that will be used? and
 - e. What are the **Distractor Domains** of the objective(s)?
3. What **depth of knowledge** (DoK) will be used when teaching/assessing each objective?
4. What **vocabulary** will need to be addressed?
5. Using the **Blue Prints**, how many questions will be on the test that corresponds to each objective?

PREPARING FOR MATH LESSON(S)

Standard:	Blue Print # of ?	Content Vocabulary	DoK Level:
Obj.			
Obj.			
Obj.			

PREPARING FOR READING LESSON(S)

Standard:	Blue Print # of ?	Content Vocabulary	DoK Level:
Obj.			
Obj.			
Obj.			

PREPARING FOR SOCIAL STUDIES/ SCIENCE LESSON(S)

Standard:	Blue Print # of ?	Content Vocabulary	DoK Level:
Obj.			
Obj.			
Obj.			

PLC Meeting Agenda (Elementary)

PREPARE & PLAN TO TEACH THE OBJECTIVE(S)

PREPARE

Prompts for team discussions

1. How to establish and relate the objective to the learners? What background knowledge will be needed?
2. In order to involve all learners, what methods will I use to explain/model the content and at what level (Depth of Knowledge -Webb) (Blooms – remembering, understanding, applying, analyzing, evaluating, and creating) will I present the content? What questioning techniques will I incorporate into the presentation?
3. What modeling actions should be considered when delivering the directions during the lesson sequence? How will I activate student's prior background knowledge throughout the lesson?
4. During guided practice and independent practice I will incorporate literacy by using the following domains: __Reading, __Writing, __ Listening, __Speaking.
5. While monitoring students during the learning process, I will adjust the instructional environment by using the following differentiated approaches: independent study, small group, peer tutoring, other?
6. Evaluate the learning: What assessment(s) will be used? Review the released test items.

PLAN

(Teachers will write/revise their upcoming lesson plans during this session)

1. If choosing the BDLC Lesson Plan (LP) Template - planning can be accomplished using the electronic version or the paper format.
2. Find the standard and objective(s) that will be taught for this unit/week (see Phase II for selected standard and objective(s)).
3. Using the pacing calendar – Determine which quarter the standard/objective will be Introduced / T2M/Assessed. Circle the quarter the LP is to be taught.
4. Note which weeks are assigned to the standard/objective and circle the planned week.
5. Insert the resources to be used for the Activities (e.g. Text, Page#, technology support) Assessment Sources (e.g. Formative/Summative)
6. Decide if the Actions for the lesson will be categorized as: I = Introductory to the standard/objective T2M = Teach toward mastery of the selected objective (i.e. as demonstrated on a formative assessment); Write the activities for achieving that goal.
7. Provide how you will check for learning of standard/objective(s) using one or more Formative assessments.

DATA ANALYSIS OF FORMATIVE ASSESSMENT RESULTS

1. Prior to the team PLC Meeting complete this section:
 - a. Using the *Monitoring Student Learning Graph* review the objectives that were taught the previous week. On the table below record the following:
 - i. What objectives did you teach?
 - ii. How many scored **Proficient?** **Advanced?**

Math			Reading			Writing/Soc. St./Science		
Objectives #	# Advanced	# Proficient	Objectives #	# Advanced	# Proficient	Objectives #	# Advanced	# Proficient

2. List the students that scored in each category (**Limited Knowledge/ Unsatisfactory**) and select type of focus group – if applicable (SPED/ELL). Also record attendance data (ADA) for the previous week/month.

FORMATIVE DATA FOR MATH									
Obj #	Limited Knowledge	ADA	SPED	ELL	Unsatisfactory	ADA	SPED	ELL	

FORMATIVE DATA FOR READING									
Obj #	Limited Knowledge	ADA	SPED	ELL	Unsatisfactory	ADA	SPED	ELL	

FORMATIVE DATA FOR SOCIAL STUDIES/SCIENCE									
Obj #	Limited Knowledge	ADA	SPED	ELL	Unsatisfactory	ADA	SPED	ELL	

RESPONSE TO INTERVENTION

Processes for Interventions: *This phase requires the specialist (Special Education teacher/ Reading Specialist/ or assigned tutor) to be part of the discourse.*

- Review the list of students scoring Limited Knowledge and Unsatisfactory on the above chart and determine if they can be moved forward using strategies within the classroom (Tier One). Those students needing more intervention should move into a Tier Two approach (Use Small Group Worksheet). Students who still struggle with the objectives after Tier Two approach then move forward to Tier Three (Use Individual Worksheet). Flex grouping should be at the center of the Tier two interventions.
- Review the number of students remediated last 2 weeks and the grade they received after receiving remediation (both Tiers Worksheets). Review strategies to be used or have been used in remediation (see Worksheets). Are specific strategies working better than others? What may not be working as well?
- Compare the students not mastering to their scores from last years' OCCT or previous district Benchmarks. What is their percentage of growth? (Review Class Proficiency Data Focus Sheet)
- Review students' behavior records for the past month. If there is two or more referrals then complete the information below:

Student	Description of Incident	Date	Time	Additional Comments

PASS STRANDS
 RL= Reading/Literature
 W= Writing V= Visual Literacy
 OLLS= Oral Language/Listening/Speaking

DEPTH OF KNOWLEDGE
 Level 1= Recall/Reproduction
 Level 2= Skills/Concepts
 Level 3= Strategic Thinking

QUARTER MARKS
 I= Introduce
 T2M=Teach2Mastery
 A= Assess

STANDARD #	STANDARDS OBJECTIVES	TEST BLUE PRINT		Depth of Knowledge			Quarter One	Quarter Two	Quarter Three	Quarter Four
		# items	% of test	# of L1	# of L2	# of L3				
RL	Reading/Literature: The student will apply a wide range of strategies to comprehend, interpret, evaluate, appreciate, and respond to a variety of texts.									
RL	Standard 1: Vocabulary - The student will develop and expand knowledge of words and word meanings to increase their vocabulary.	12	24%	3	8	1				
RL	1.1.a Words in Context: Use knowledge of word parts and word relationships, as well as context clues (the meaning of the text around a word), to determine the meaning of specialized vocabulary and to understand the precise meaning of grade-level-appropriate words.	4					I/T2M/A			
RL	1.1.b Words in Context: Use prior experience and context to understand and explain the figurative use of words such as similes (comparisons that use like or as: His feet were as big as boats), and metaphors (implied comparisons: The giants steps were thunderous).						I/T2M/A			
RL	1.2.a Affixes, Roots, and Stems: Interpret new words by analyzing the meaning of prefixes and suffixes.	4					I/T2M/	A		
RL	1.2.b Affixes, Roots, and Stems: Apply knowledge of root words to determine the meaning of unknown words within a passage.						I/T2M	A		
RL	1.2.c Affixes, Roots, and Stems: Use word origins, including knowledge of less common roots (graph = writing, terras = earth) and word parts (hemi half, bio = life) from Greek and Latin to analyze the meaning of complex words (terrain, hemisphere, biography).						I/T2M	A		
RL	1.3 Synonyms, Antonyms, and Homonyms/Homophones - Apply knowledge of fifth grade level synonyms, antonyms, homonym/homophones, and multiple meaning words to determine the meaning of words and phrases.	4					I/T2M	A		

STANDARD	#	STANDARDS OBJECTIVES PASS OBJ = 10 pt. font if tested/ italicized 9pt. if not tested	TEST BLUE PRINT		Depth of Knowledge			Quarter One	Quarter Two	Quarter Three	Quarter Four
			# items	% of test	# of L1	# of L2	# of L3				
RL	1	Standard 1: Vocabulary - The student will develop and expand knowledge of words and word meanings to increase their vocabulary. (Continued)	12	24%	3	8	1				
RL	1.4.a	*Using Resource Materials and Aids: Use a thesaurus to determine related words and concepts.									
RL	1.4.b	*Using Resource Materials and Aids: Determine the meanings, pronunciation, and derivations of unknown words by using a glossary and/or dictionary.									
RL	2	Standard 2: Fluency - The student will identify words rapidly so that attention is directed at the meaning of the text.									
RL	2.1-2.4	Read regularly both independently and instructionally while increasing fluency and speed. Teacher monitors progress.									
RL	3	Standard 3: Comprehension/Critical Literacy - The student will interact with the words and concepts in the text to construct an appropriate meaning.	20	40%	5	13	2				
RL	3.1.a	Literal Understanding: Use pre-reading strategies independently (to preview, activate prior knowledge, predict content of text, formulate questions that might be answered by the text, and establish purpose for reading).						I/T2/M/A			
RL	3.1.b	Literal Understanding: Read and comprehend both fiction and nonfiction that is appropriately designed for fifth grade.						I/T2/M/A			
RL	3.1.c	Literal Understanding: Recognize main ideas presented in a particular segment of text; identify evidence that supports those ideas.						I/T2/M/A			
RL	3.1.d	Literal Understanding: Use the text's structure or progression of ideas such as cause and effect or chronology to organize or recall information.						I/T2/M/A			
RL	3.2.a	Inferences and Interpretation: Apply prior knowledge and experience to make inferences and respond to new information presented in text.						I/T2/M/A			
RL	3.2.b	Inferences and Interpretation: Draw inferences and conclusions about text						I/T2/M/A			

STANDARD	#	STANDARDS OBJECTIVES PASS OBJ = 10 pt. font if tested/ italicized 9pt. if not tested	TEST BLUE PRINT		Depth of Knowledge			Quarter One	Quarter Two	Quarter Three	Quarter Four
			# items	% of test	# of L1	# of L2	# of L3				
RL	3	Standard 3: Comprehension/Critical Literacy - The student will interact with the words and concepts in the text to construct an appropriate meaning. (Continued)	20	40%	5	13	2				
RL	3.2.c	Inferences and Interpretation: Describe elements of character development in written works (e.g., differences between main and minor characters; changes that characters undergo; the importance of a character's actions, motives, stereotypes, and appearance to plot and theme).						I/T2M/A			
RL	3.2.d	Inferences and Interpretation: Make inferences or draw conclusions about characters' qualities and actions (e.g., based on knowledge of plot, setting, characters' motives, characters' appearances, stereotypes and other characters' responses to a character).						I/T2M/A			
RL	3.2.e	<i>*Participate in creative response to text (e.g., art, drama, and oral presentation).</i>									
RL	3.3.a	Summary and Generalization: Summarize and paraphrase information from entire reading selection including the main idea and significant supporting details.							I/T2M/A		
RL	3.3.b	Make generalizations with information gleaned from text.							I/T2M/A		
RL	3.3.c	Summary and Generalization: Support ideas and arguments by reference to relevant aspects of text and issues across texts.							I/T2M/A		
RL	3.3.d	Organize text information in different ways (e.g., timeline, outline, graphic organizer) to support and explain ideas.							I/T2M/A		
RL	3.4.a	Analysis and Evaluation: Identify and analyze the characteristics of poetry, drama, fiction, and nonfiction and explain the appropriateness of the literary form chosen by an author for a specific purpose.							I/T2M/A		
RL	3.4.b	Analysis and Evaluation: Identify the main problem or conflict of the plot and explain how it is resolved.							I/T2M/A		

STANDARD	STANDARD #	STANDARDS OBJECTIVES	TEST BLUE PRINT		Depth of Knowledge			Quarter One	Quarter Two	Quarter Three	Quarter Four
			# items	% of test	# of L1	# of L2	# of L3				
RL	3	<p>PASS OBJ = 10 pt. font if tested/ italicized 9pt. if not tested</p> <p>Standard 3: Comprehension/Critical Literacy - The student will interact with the words and concepts in the text to construct an appropriate meaning. (Continued)</p>	20	40%	5	13	2				
RL	3.4.c	Analysis and Evaluation: Contrast the actions, motives, and appearances of characters in a work of fiction and discuss the importance of the contrasts to the plot or theme.						I/T2M/A			
RL	3.4.d	Analysis and Evaluation: Make observations and connections, react, speculate, interpret, and raise questions in analysis of texts.						I/T2M/A			
RL	3.4.e	Analysis and Evaluation: Recognize structural patterns found in information text (e.g., cause and effect, problem/solution, sequential order).						I/T2M/A			
RL	3.4.f	Analysis and Evaluation: Distinguish among facts/inferences supported by evidence and opinions in text.						I/T2M/A			
RL	4	Standard 4: Literature - The student will read to construct meaning and respond to a wide variety of literary forms.	12	24%	3	8	1				
RL	4.1.a	Literary Genres - Demonstrate knowledge of and appreciation for various forms (genres) of literature: Recognize characteristics of literary genres and forms (e.g., contemporary realistic fiction, historical fiction, nonfiction, modern fantasy, poetry, drama, and traditional stories such as fairy tales, fables, myths, and legends).						I/T2M/A			
RL	4.1.b	Literary Genres - Demonstrate knowledge of and appreciation for various forms (genres) of literature: Read and construct meaning from a variety of genres.						I/T2M/A			
RL	4.1.c	Literary Genres - Demonstrate knowledge of and appreciation for various forms (genres) of literature: Demonstrate an understanding of similarities and differences within and among literary works of various genre and cultures (e.g., in terms of settings, character types, events, and role of natural phenomena)						I/T2M/A			

STANDARD	STANDARD #	STANDARDS OBJECTIVES	TEST BLUE PRINT		Depth of Knowledge			Quarter One	Quarter Two	Quarter Three	Quarter Four
			# items	% of test	# of L1	# of L2	# of L3				
RL	4	Standard 4: Literature - The student will read to construct meaning and respond to a wide variety of literary forms. (Continued)	12	24%	3	8	1				
RL	4.2.a	Literary Elements - Demonstrate knowledge of literary elements and techniques and how they affect the development of a literary work: Develop a knowledge of the literary elements of fiction (plot, problems, attempts to resolve conflicts, resolution, etc.) and the text structure of nonfiction (compare/contrast, cause/effect, sequence, main idea, and details).						I/T2M/A			
RL	4.2.b	Literary Elements - Demonstrate knowledge of literary elements and techniques and how they affect the development of a literary work: Compare/contrast genres, themes, ideas, and story elements across texts read, listened to, or viewed.						I/T2M/A			
RL	4.2.c	Literary Elements - Demonstrate knowledge of literary elements and techniques and how they affect the development of a literary work: Identify the author's purpose (persuade, inform, or entertain).						I/T2M/A			
RL	4.2.d	Literary Elements - Demonstrate knowledge of literary elements and techniques and how they affect the development of a literary work: Recognize and identify the writer's perspective or point of view in a literary selection (e.g., first person, second person) and how it affects the text.						I/T2M/A			
RL	4.3.a	Figurative Language and Sound Devices - Identify figurative language and sound devices in writing and how they affect the development of a literary work: Identify and discuss certain words and rhythmic patterns that can be used in a selection to imitate sounds (e.g., rhythm, rhyme, alliteration).						I/T2M/A			
RL	4.3.b	Figurative Language and Sound Devices - Identify figurative language and sound devices in writing and how they affect the development of a literary work: Evaluate and identify figurative language, such as simile, metaphors, hyperbole, personification, and idioms.						I/T2M/A			
RL	4.3.c	Figurative Language and Sound Devices - Identify figurative language and sound devices in writing and how they affect the development of a literary work: Identify the function and effect of common literary devices, such as imagery, metaphor, and symbolism. Symbolism: the use of an object to represent something else; for example, a dove might symbolize peace. Imagery: the use of language to create vivid pictures in the reader's mind. Metaphor: an implied comparison in which a word or phrase is used in						I/T2M/A			

STANDARD #	STANDARDS OBJECTIVES	TEST BLUE PRINT		Depth of Knowledge			Quarter One	Quarter Two	Quarter Three	Quarter Four
		# items	% of test	# of L1	# of L2	# of L3				
5	<p>place of another, such as He was drowning in money.</p> <p>PASS OBJ = 10 pt. font if tested/ italicized 9pt. if not tested</p> <p>Standard 5: Research and Information: The student will conduct research and organize information.</p>	6	12%	2	3	1				
5.1.a	<p>Accessing Information - Select the best source for a given purpose: Determine and use appropriate sources for accessing information including, dictionaries, thesaurus, electronic card catalogs and databases, magazines, newspapers, technology/Internet, encyclopedias, atlases, almanacs, tables of contents, glossaries, and indexes.</p>							I/T2M/A		
5.1.b	<p>Accessing Information - Select the best source for a given purpose: Identify and credit the sources used to gain information.</p>							I/T2M/A		
5.1.c	<p>Accessing Information - Select the best source for a given purpose: Use text features to access information (e.g., format, italics, heading, subheadings, graphics, sequence, diagrams, illustrations, charts, and maps)</p>							I/T2M/A		
5.1.d	<p>Accessing Information - Select the best source for a given purpose: Use reference features of printed text, such as citations, endnotes, and bibliographies to locate relevant information about a topic</p>							I/T2M/A		
5.1.e	<p>Accessing Information - Select the best source for a given purpose: Use the features of informational texts, such as formats, graphics, diagrams, illustrations, charts, maps, and organization, to find information and support understanding</p>							I/T2M/A		
5.1.f	<p>Accessing Information - Select the best source for a given purpose: Recognize and apply test-taking strategies by answering different levels of questions, such as literal, as well as multiple choice, true/false, short answer, inferential, evaluative, or open-ended.</p>							I/T2M/A		
5.2.a	<p>Interpreting Information - Analyze and evaluate information from a variety of sources: Follow multistep directions to accomplish a task (e.g., video games, computer programs, recipes).</p>							I/T2M/A		
5.2.b	<p>Interpreting Information - Analyze and evaluate information from a variety of sources: Select a topic, formulate questions, and synthesize information from a variety of print, nonprint and technological resources (e.g., dictionaries, reference books, atlases, magazines, informational texts, thesaurus, and technology/Internet).</p>							I/T2M/A		

STANDARD	#	STANDARDS OBJECTIVES PASS OBJ = 10 pt. font if tested/ italicized 9pt. if not tested	TEST BLUE PRINT		Depth of Knowledge			Quarter One	Quarter Two	Quarter Three	Quarter Four
			# items	% of test	# of L1	# of L2	# of L3				
RL	5	Standard 5: Research and Information: The student will conduct research and organize information. (Continued)	6	12%	2	3	1				
RL	5.2.c	Interpreting Information - Analyze and evaluate information from a variety of sources: Develop notes that include important information on a selected topic.								I/T2M/A	
RL	5.2.d	Interpreting Information - Analyze and evaluate information from a variety of sources: Summarize information from multiple sources into a written report or summary.								I/T2M/A	
RL	5.2.e	Interpreting Information - Analyze and evaluate information from a variety of sources: Create simple documents using a computer and employing organizational features, such as passwords, entry and pull-down menus, word searches, the thesaurus, and spell checks.								I/T2M/A	

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**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
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SUPPLEMENTARY INFORMATION, AND
SINGLE AUDIT REPORTS AND SCHEDULES
June 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Portable Practical Educational Preparation, Inc. (PPEP)
Tucson, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of Portable Practical Educational Preparation, Inc. (PPEP) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Portable Practical Educational Preparation, Inc. (PPEP) as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

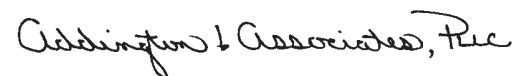
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Also, the accompanying Schedule of Charter School Revenues and Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2018 on our consideration of Portable Practical Educational Preparation, Inc. (PPEP)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Portable Practical Educational Preparation, Inc. (PPEP)'s internal control over financial reporting and compliance.

March 26, 2018



ADDINGTON & ASSOCIATES, PLLC

Attachment 1
 ODLS New School Application
PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
STATEMENT OF FINANCIAL POSITION
June 30, 2017

Ohio Digital Learning School

ASSETS

Current assets:

Cash and cash equivalents	\$	1,747,587
Restricted cash, current portion		4,421,570
Accounts and grants receivable		2,703,208
Note receivable, current portion		30,942
Prepays and deposits		174,139
Due from affiliate		132,389
Total current assets		9,209,835

Property and equipment:

Land	\$	1,809,722
Buildings and improvements		10,087,951
Software		771,315
Furniture and equipment		2,517,730
Vehicles		3,434,903
Work in process		113,138
		18,734,759
Accumulated depreciation and amortization		9,495,922
Total property and equipment, net		9,238,837

Other Assets:

Note receivable, noncurrent portion		477,586
Deposits		19,145
Investment - other		432,540
		929,271

Total assets \$ 19,377,943

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	464,473
Accrued expenses		2,852,420
Current portion of long-term debt		757,746
Unearned program income and advance payments on contracts		3,314,257
Total current liabilities		7,388,896

Long-term debt, net of current portion **3,004,714**

Total liabilities **10,393,610**

Net assets:

Unrestricted net assets		8,984,333
Total net assets		8,984,333

Total liabilities and net assets \$ 19,377,943

See Accompanying Notes.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)

STATEMENT OF ACTIVITIES

For the year ended June 30, 2017

Unrestricted net assets

Support and revenue:

Governmental financial assistance	\$ 50,632,605
Indirect cost revenue	25,469
Donations	82,588
Foundation grants	8,435
Counseling fees	56,744
Rent	73,800
Interest	19,863
Management fees	32,095
Other	210,136
Gain on disposal of fixed assets	45,934
Total support and revenue	<u>51,187,669</u>

Expenses:

Program services:	
Human and other services	1,072,929
Behavioral health services	772,551
Community prevention coalition	279,027
Disabled adult services	6,526,251
Employment and training	2,261,456
Education	36,800,364
Total program services	<u>47,712,578</u>
Management and general	2,932,254
Total expenses	<u>50,644,832</u>

Increase in unrestricted net assets	542,837
Unrestricted net assets, beginning of year	<u>8,441,496</u>
Unrestricted net assets, end of year	<u><u>\$ 8,984,333</u></u>

See Accompanying Notes.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2017

	Human and Other Services	Behavioral Health Services	Community Prevention Coalition	Disabled Adult Services	Employment and Training	Education	Total Program Services	Management and General	Total
Personnel	\$ 578,782	\$ 596,308	\$ 148,112	\$ 5,112,286	\$ 1,312,952	\$ 3,834,034	\$ 11,582,474	\$ 1,533,932	\$ 13,116,406
Occupancy	17,270	62,128	27,401	380,621	119,562	625,642	1,232,624	323,664	1,556,288
Telephone and communications	6,647	16,697	10,588	63,373	45,441	144,001	286,747	64,072	350,819
Travel and transportation	35,836	11,779	13,631	336,469	155,103	122,378	675,196	154,528	829,724
Office and program supplies	15,869	13,358	42,562	256,531	57,669	469,675	855,664	183,055	1,038,719
Contractual	7,146	45,499	33,151	51,341	61,457	31,405,726	31,604,320	296,003	31,900,323
Supportive services and training	410,408	2,225	3,582	22,173	459,344	21,472	919,204	80,518	999,722
Depreciation	769	21,828	-	238,993	49,407	142,416	453,413	159,312	612,725
Interest	202	2,729	-	61,188	521	35,020	99,660	133,770	233,430
Donations	-	-	-	-	-	-	-	1,400	1,400
Bad debt expense	-	-	-	3,276	-	-	3,276	2,000	5,276
	<u>\$ 1,072,929</u>	<u>\$ 772,551</u>	<u>\$ 279,027</u>	<u>\$ 6,526,251</u>	<u>\$ 2,261,456</u>	<u>\$ 36,800,364</u>	<u>\$ 47,712,578</u>	<u>\$ 2,932,254</u>	<u>\$ 50,644,832</u>

Attachment 1
ODLS New School Application
PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
STATEMENT OF CASH FLOWS
For the year ended June 30, 2017

Ohio Digital Learning School

Cash flows from operating activities:

Increase in net assets	\$	542,837
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	\$	612,725
(Gain) on sale of fixed assets		(45,934)
(Increase) in value of share of consortium		(92,745)
(Increase) decrease in operating assets:		
Accounts and grants receivable		462,330
Prepaid and deposits		(33,500)
Deposits, long-term		25,838
Increase (decrease) in operating liabilities:		
Accounts payable		(304,189)
Accrued expenses		386,501
Unearned program income and advance payments on contracts		(370,077)
Total adjustments		<u>640,949</u>
Net cash provided by operating activities		<u>1,183,786</u>

Cash flows from investing activities:

Payments for property and equipment	(498,739)
Proceeds from sale of fixed assets	525,847
Net (increase) in restricted cash	(516,572)
Net (decrease) in amount due from affiliate	5,764
Principal collections - notes receivable	30,117
Net cash (used) in investing activities	<u>(453,583)</u>

Cash flows from financing activities:

Principal payments on long-term debt	(768,261)
Proceeds from issuance of long-term debt	25,030
Net cash (used) in financing activities	<u>(743,231)</u>

Net (decrease) in cash and cash equivalents (13,028)

Cash and cash equivalents, beginning of year 1,760,615

Cash and cash equivalents, end of year \$ 1,747,587

Supplemental disclosure of cash flow information:

Cash paid during the year for:		
Interest	\$	<u>235,051</u>
Taxes	\$	<u><u>0</u></u>

See Accompanying Notes.

**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017**

1. Organization and goals and entity presented

Portable Practical Educational Preparation, Inc. (PPEP), PPEP Microbusiness and Housing Development Corporation (PMHDC), PPEP Senior Housing Services Corporation (PSHSC), PPEP First American Resources and Services, Inc. (PFARS), and the PPEP Foundation (Foundation) are nonprofit organizations incorporated in Arizona. The Agencies are governed by independent Boards of Directors; however, the Agencies' day-to-day operations are the responsibility of a common management team. In addition, the Agencies share common facilities, equipment and personnel.

Entity presented

The accompanying financial statements present only the accounts of PPEP (Agency) and do not include the accounts for PMHDC, PSHSC, PFARS, or the Foundation.

Goals

The Agency's goals are to provide services to the rural poor of the State of Arizona through a network of community-based aides with supporting staff in Tucson. Services are provided in the following broad categories:

Human services

Improving the standard of rural living through emergency services, social work, outreach, education and advocacy.

Behavioral health services

Providing group, family, and individual counseling services.

Community Prevention Coalition

Working together in Pima County to create an effective and supportive culture to prevent youth alcohol and other drug abuse.

Disabled adult services

Providing supervised homes, transportation, and day programs for the developmentally disabled.

Employment and training

Placing rural poor and farm workers into productive employment through outreach and referral.

Education

Providing public school education for kindergarten through the twelfth grade through the PPEC TEC High Schools and the Arizona Virtual Academy, which are Arizona charter schools, and a high school equivalency program.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

2. Summary of significant accounting policies

Financial statement presentation

The Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash equivalents. Cash and cash equivalents that have been designated for long-term purposes or received with donor imposed restrictions limiting its use to long-term purposes is not considered cash and cash equivalents for purposes of the Statement of Financial Position and the Statement of Cash Flows.

Investment - other

The Organization records its investment in a captive insurance company using the equity method of accounting.

Property and equipment

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets. The Agency capitalizes all assets of \$2,500 or more with an estimated useful life greater than two years.

Revenue and receivables

The Agency is principally funded through various grants, cost reimbursement contracts, and performance based contracts with federal, state and local governmental entities and private foundations. Revenue is recognized as follows:

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

2. Summary of significant accounting policies - continued

Revenue and receivables - continued

- Grants - On a straight-line basis over the life of the grant or as costs are incurred.
- Cost reimbursement contracts - As costs are incurred under the contract.
- Performance based contracts - Revenue is recognized as performances of units of service are provided.

Amounts due the Agency for revenues earned, as described above, are classified as *Accounts and grants receivable*. No provision for uncollectible accounts and grants receivable has been provided as the amounts were substantially collected subsequent to year end or represent billings to governmental entities under contractual agreements.

Restricted and unrestricted revenue and support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Significantly all governmental cost reimbursement grant awards are classified as refundable advances until expended for the purposes of the grants since they are considered to be conditional promises to give.

Advertising

The Agency uses advertising to promote its programs among the population it serves and to recruit employees. The production costs of advertising are expensed as incurred. During the current year, advertising costs totaled \$42,311.

Indirect costs

All expenses which can be specifically identified by contract (direct expenses) are charged to the applicable contract. Indirect costs are charged to the contracts using a provisional indirect cost rate approved by the Department of Labor which is applied to wages and fringe benefits.

The indirect cost rate is subject to adjustment and possible refund of revenues to the various grantors if the actual rate is less than the provisional rates. Correspondingly, if the actual rate is higher than the provisional rate, the various grants may be charged with additional cost. At June 30, 2017, contracts had been adjusted for the actual indirect cost rate through the end of the year.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

2. Summary of significant accounting policies - continued

Expense allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes

PPEP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A). PPEP is classified as an organization that is not a private foundation under 509(a)(2). The agency is also exempt from Arizona state income taxes.

Management’s opinion is that no uncertain income tax positions have been taken and no adjustments have been recorded for potential related tax liabilities. Any penalties or interest which may be charged on tax examinations would be deducted in the year the assessment was made. Tax returns are generally subject to audit by the federal government for three years from the filing date and four years from the filing date for Arizona.

3. Cash and cash equivalents

At June 30, 2017 certain cash and cash equivalents were restricted by grant agreements for specific program purposes.

The following is a summary of cash restricted for specific use at June 30, 2017:

State of Arizona-Classroom Site Funds and Instructional Improvement Funds	<u>\$ 4,421,570</u>
--	---------------------

4. Investment - other

Investment – other consists of the following at June 30, 2017:

Arizona Health Reciprocal Insurance Company	<u>\$ 432,540</u>
Total	<u><u>\$ 432,540</u></u>

PPEP invested in Arizona Health Reciprocal Insurance Company for the purpose of gaining access to health insurance for its employees from a captive insurance company. The investment represents approximately 7% of the capital of the captive insurance company and is accounted for using the equity method of accounting.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

5. Line of credit

As of June 30, 2017, PPEP had an open line of credit with JP Morgan Chase Bank, maturing June 25, 2018. The maximum amount available is \$1,000,000 and bears interest at LIBOR plus 3% per annum. The line of credit is collateralized by real estate and business assets. The outstanding balance on the line of credit at June 30, 2017 was \$0.

6. Long-term debt

Long-term debt at June 30, 2017 is summarized as follows:

Mortgage notes, payable in monthly installments totaling \$46,149, at June 30, 2017, including interest at 3.03% to 8.50%, maturing at various dates through October 2031. The notes are collateralized by real estate utilized by a program for the developmentally disabled (group homes), administration buildings, and charter schools.	\$3,190,906
Vehicle, and equipment notes payable, due in monthly installments totaling \$9,376, at June 30, 2017, interest at .90% to 5.92%, maturing at various dates through August 2019. Collateralized by vehicles and equipment purchased.	128,866
Notes payable to PMHDC, due in monthly installments totaling \$4,740, at June 30, 2017, interest at 2% to 6%, maturing at various dates through July 20126. Collateralized as follows: first deed of trust for \$103,972; second deeds of trust for \$215,286; equipment purchased of \$123,430.	<u>442,688</u>
Total long-term debt	3,762,460
Less current portion	<u>757,746</u>
Non-current portion	<u>\$3,004,714</u>

The combined current maturities of long-term debt are as follows:

Year ended June 30, 2018	\$ 757,746
2019	331,515
2020	854,859
2021	742,625
2022	166,049
Thereafter	<u>909,666</u>
	<u>\$3,762,460</u>

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

7. Affiliated entities - transactions and balances

Due from affiliate

Due from affiliate represents the temporary loan of funds from PPEP to PMHDC of \$132,389. No interest is charged on the outstanding balance as the balance normally represents operational costs of PMHDC, which were paid by PPEP, that are to be repaid from PMHDC's accounts receivable collections on a short term basis.

Note receivable – affiliated entity

During 2012, PPEP negotiated a note receivable for \$449,777 from PMHDC for a portion of the outstanding advances made to PHMDC in prior years. Monthly payments of \$2,275, including principal and interest at 2% per annum, began on August 1, 2012. The loan is unsecured and matures July 1, 2032. At June 30, 2017, the outstanding balance of the note was \$355,268, of which \$20,385 is classified as current in the accompanying financial statements. Interest received on the note was \$7,322 for the year ended June 30, 2017. See Note 11.

Notes payable - PMHDC

As presented in Note 5, PPEP has borrowed funds totaling \$442,668 from PMHDC's Micro Loan programs for real estate purchases and equipment.

Revenue and expense

During the year ended June 30, 2017 PPEP charged PMHDC \$25,469 for its portion of indirect costs. PMHDC charged PPEP \$29,193 for interest on the interagency loans and \$60,000 for rent for the year ended June 30, 2017.

Management fees

PPEP receives HUD approved property management fees from PMHDC and PSHSC which totaled \$32,095 for the year ended June 30, 2017. The property management agreements are subject to periodic renewal and approval by HUD.

8. Lease commitments

The Agency leases various office and program facilities and equipment under both cancelable and non-cancelable operating leases. A number of the real estate leases contain a loss of funding clause which allows the Agency to terminate the leases on a 30 to 90 day written notice. The following is a schedule by years of future rental payments due under non-cancelable leases considering termination clauses:

Year ended June 30,		Program <u>facilities</u>	<u>Equipment</u>
2018	\$	133,861	\$ 52,474
2019		43,785	52,474
2020		8,754	51,692
2021			49,348
2022			15,540

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

8. Lease commitments - continued

In addition, the Agency leases office space on a month-to-month basis. The total program facilities rent expense was \$444,796 and \$38,442 for equipment rent for the year ended June 30, 2017.

9. Pension plan

The Agencies have a defined contribution pension plan which covers full-time and part-time employees who work greater than 1,000 hours during the plan year and are employed by the Agencies on the last day of the plan year. The Plan provides that the Agencies will make a contribution for each eligible employee up to 5% of direct chargeable salaries at the Agencies' discretion. Employees are 100% vested in the Plan after six years of service. On January 1, 2001 the Plan was amended to include a 401(k) provision to allow employees to make tax-deferred contributions to the Plan. Employees hired after December 31, 2000 are subject to the eligibility requirements of the amended Plan. Under the amended Plan, employees must be 21 years of age and must have completed 1,000 hours of service during the Plan year. The employer's contribution to this part of the Plan is also discretionary. The Agencies contributed \$0 to the 401(k) part of Plan during the year ended June 30, 2017.

10. Contingencies and commitments

Equipment

Title to equipment owned is in the name of the Agency and the equipment is used in the Agency's operations. A portion of the funding to purchase the equipment was obtained from various governmental organizations; the Agencies may be required to turn over the equipment to the governmental organizations upon termination of certain programs.

Federal and state awards

The Agency participates in a number of Federal and State assisted grant and contract programs, and a significant reduction in the level of this support, if it were to occur, would have a material effect on its programs and activities. The governmental funding is also subject to compliance audits. Assessments from such audits, if any, are recorded when the amounts of such assessments are reasonably determinable.

K-12, Inc. contract and amount due from management company

PPEP is the charter holder for the Arizona Virtual Academy (Academy), an Arizona charter school, and contracts with K-12, Inc. to operate the Academy. The total net amount paid to K-12, Inc., under the terms of the contract was \$31,078,273 for the year ended June 30, 2017. At June 30, 2017 PPEP owed K-12, Inc. \$2,280,045 which is included in Accrued Expenses in the accompanying financial statements. The amount is payable to K-12, Inc. from related grants receivable which were collected subsequent to year end.

Litigation

PPEP is subject to legal proceedings and claims which arise in the ordinary course of business, and which are being defended under its general liability insurance policy. In the opinion of management, it is unlikely that PPEP will incur any material losses in excess of the limits of the liability insurance policy.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

11. Notes receivable

The notes receivable balance is comprised of the following at June 30, 2017:

	Original Note	Collateral	Maturity	Monthly Payment	Interest Rate	Current	Noncurrent	6/30/2017 Balance
Due from third parties:								
North Colombia Avenue	\$ 150,000	1st DOT	1/15/2031	\$ 1,186	5%	\$ 7,392	\$ 133,228	\$ 140,620
Arivaca land	22,000	1st DOT	3/1/2021	306	4.5%	3,165	9,475	12,640
						<u>10,557</u>	<u>142,703</u>	<u>153,260</u>
Due from affiliate:								
PMHDC - See Note 7	449,777	Unsecured	7/1/2032	2,275	2%	20,385	334,883	355,268
						<u>\$ 30,942</u>	<u>\$ 477,586</u>	<u>\$ 508,528</u>

12. Concentrations of credit risk

Cash balances

The Agency maintains its cash balances at several financial institutions located in Southern Arizona. Accounts at each of the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Management monitors the financial condition of the banking institutions, along with their balances in cash and cash equivalents and attempts to limit this potential risk. The following is a summary of uninsured balances maintained by the Agency at June 30, 2017:

- JP Morgan Chase Bank \$ 6,064,655

13. Subsequent events

PPEP has evaluated subsequent events through March 26, 2018, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SCHEDULE OF CHARTER SCHOOL REVENUES AND EXPENSES
For the year ended June 30, 2017

	PPEP Tech High School	Arizona Virtual Academy	Total
Revenues:			
<i>Arizona Department of Education:</i>			
Equalization Assistance Payments	\$ 4,822,700	\$ 27,511,152	\$ 32,333,852
Classroom Site Fund- Proposition 301	304,786	2,171,540	2,476,326
Instructional Improvement Fund	-	204,075	204,075
SI Priority and Focus Grant	41,211	-	41,211
Proposition 123	71,975	190,109	262,084
<i>U.S. Department of Agriculture:</i>			
School Breakfast and Lunch Programs	302,987	-	302,987
<i>U.S. Department of Education:</i>			
Title I - Grants to Local Education Agencies	334,147	1,149,197	1,483,344
Migrant Education - Basic State Grant	230,991	-	230,991
Title III LEP Program	21,480	-	21,480
Title II - Improving Teacher Quality	9,328	17,655	26,983
IDEA Basic Education	105,070	825,206	930,276
<i>Other:</i>			
Miscellaneous	2,327	-	2,327
E-rate	208,907	-	208,907
Donations	10,725	-	10,725
Total revenues	<u>6,466,634</u>	<u>32,068,934</u>	<u>38,535,568</u>
Expenses:			
Personnel	3,834,034	-	3,834,034
Occupancy	625,642	-	625,642
Telephone and communications	144,001	-	144,001
Travel and transportation	122,378	-	122,378
Office and program supplies	469,675	-	469,675
Contractual and K12 contract	327,453	31,078,273	31,405,726
Interest	35,020	-	35,020
Supportive Services	21,472	-	21,472
Indirect cost	672,718	-	672,718
Depreciation	142,416	-	142,416
Total expenses	<u>6,394,809</u>	<u>31,078,273</u>	<u>37,473,082</u>
Excess of revenues over expenses	<u>\$ 71,825</u>	<u>\$ 990,661</u>	<u>\$ 1,062,486</u>

See Accompanying Auditor's Report.

SINGLE AUDIT REPORTS AND SCHEDULES



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Portable Practical Education Preparation, Inc.
Tucson, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Portable Practical Education Preparation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Portable Practical Education Preparation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Portable Practical Education Preparation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Portable Practical Education Preparation, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Portable Practical Education Preparation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 26, 2018

Addington & Associates, PLLC
ADDINGTON & ASSOCIATES, PLLC



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Portable Practical Education Preparation, Inc.
Tucson, Arizona

Report on Compliance for Each Major Federal Program

We have audited Portable Practical Education Preparation, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Portable Practical Education Preparation, Inc.'s major federal programs for the year ended June 30, 2017. Portable Practical Education Preparation, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Portable Practical Education Preparation, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Portable Practical Education Preparation, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Portable Practical Education Preparation, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Portable Practical Education Preparation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of Portable Practical Education Preparation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Portable Practical Education Preparation, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Portable Practical Education Preparation, Inc.'s internal control over compliance.

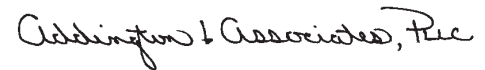
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over*

compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 26, 2018



ADDINGTON & ASSOCIATES, PLLC

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____yes X no

Noncompliance material to financial statements noted? _____yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____yes X no

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
17.258, 17.259, 17.278	Workforce Innovation and Opportunity Cluster
84.010	Title I Grants to LEAs
84.027	IDEA Basic Education

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____yes X no

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2017

FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

INFORMATION SUBMITTED BY AUDITEE

Attachment 1
 PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP) Ohio Digital Learning School
 ODL's New School Application
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2017

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal CFDA number	Pass-through Grantor's Number	Expenditures	
			Federal	Other
<u>U.S. Department of Health and Human Services</u>				
<i>CFDA No. 93.569:</i>				
<i>Passed through Arizona Department of Economic Security:</i>				
Community Services Block Grant	93.569	ADES15-089119	\$ 99,490	\$ -
<i>Passed through Pima County Community Services:</i>				
Community Services Block Grant	93.569	CT-CS-15-0496	9,200	-
<i>Total CFDA No. 93.569</i>			<u>108,690</u>	<u>-</u>
<i>CFDA No. 93.558:</i>				
<i>Passed through Arizona Department of Economic Security:</i>				
Temporary Assistance for Needy Families (TANF)	93.558	ADES15-089119	68,120	-
<i>Passed through Pima County Community Services:</i>				
Temporary Assistance for Needy Families (SSBG)	93.558	CT-CS-15-0496	10,968	-
Temporary Assistance for Needy Families (TANF)	93.558	CT-CS-15-0496	40,335	-
<i>Total CFDA No. 93.558</i>			<u>119,423</u>	<u>-</u>
<i>CFDA No. 93.667:</i>				
<i>Passed through Arizona Department of Economic Security:</i>				
Social Services Block Grant - Domestic Violence Counseling	93.667	ADCS14-074819	32,459	-
<i>CFDA No. 93.778:</i>				
<i>Passed through Terros Family First:</i>				
Arizona Families First	93.778	ADCS14-074862	164,433	-
<i>CFDA No. 93.093:</i>				
<i>Passed through Pima County Community Services:</i>				
Welfare too Work - HPOG	93.093	CT-CS-17-010	1,594	-
New Employee Transition Program	93.093	CT-CS-17-266	2,400	-
<i>Total CFDA No. 93.093</i>			<u>3,994</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>\$ 428,999</u>	<u>\$ 0</u>
<u>U.S. Department of Labor</u>				
Direct programs:				
Workforce Investment Act - National Farmworker Jobs Program	17.264	AC-29454-16-60-A-4	\$ 1,904,961	\$ -
<i>CFDA No. 17.274:</i>				
Youthbuild	17.274	YB-27783-15-60-A-4	452,370	-
<i>WIA/WIAO CLUSTER:</i>				
<i>CFDA No. 17.258:</i>				
<i>Passed through Pima County Community Services:</i>				
Workforce Investment Act - Adult Program	17.258	CT-CS-17-010	549,954	-
Workforce Investment Act - Older Worker	17.258	CT-CS-16-311	16,349	10,899
Workforce Investment Act - Welfare to Work	17.258	CT-CS-14-0360	340	-
Workforce Investment Act - Welfare to Work	17.258	CT-CS-16-254	7,200	-
<i>Total CFDA No. 17.258</i>			<u>573,843</u>	<u>10,899</u>
<i>Passed through Yuma Private Industry Council:</i>				
Workforce Investment Act - Adult and Dislocated Workers	17.278	PPEP/DW 2016/2017	77,183	-
<i>WIA/WIAO CLUSTER TOTAL</i>			<u>651,026</u>	<u>10,899</u>
<i>CFDA No. 17.235:</i>				
<i>Passed through Pima County Community Services:</i>				
Workforce Investment Act - Mature Workers	17.235	CT-CS-16-418	62,933	30,996
Total Department of Labor			<u>\$ 3,071,290</u>	<u>\$ 41,895</u>
<u>U.S. Department of Agriculture</u>				
<i>Passed through Arizona Department of Education:</i>				

Attachment 1
 PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP) Ohio Digital Learning School
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 For the year ended June 30, 2017

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal CFDA number	Pass-through Grantor's Number	Expenditures	
			Federal	Other
<i>Child Nutrition Cluster</i>				
School Breakfast Program	10.553	10-87-44-000	\$ 69,271	\$ -
National School Lunch Program	10.555	10-87-44-000	233,716	-
<i>Total Child Nutrition Cluster</i>			<u>302,987</u>	<u>0</u>
Total U.S. Department of Agriculture			<u>\$ 302,987</u>	<u>\$ 0</u>
<u>U.S. Department of Housing and Urban Development</u>				
<i>Passed through Pima County Community Services:</i>				
Amado Teen Center	14.218	CT-CD-17-271	\$ 10,569	\$ -
HYNP - Help Your Neighbor Program	14.218	CT-CD-16*0102	487	-
Total U.S. Department of Housing and Urban Development			<u>\$ 11,056</u>	<u>\$ -</u>
<u>Corporation for National Community Service</u>				
<i>Passed through Youthbuild USA:</i>				
YouthBuild Americorps	94.006	13NDHMA0010051	\$ 39,878	\$ -
YouthBuild Americorps	94.006	16NDMA0010062	52,053	-
Total Corporation for National Community Service			<u>\$ 91,931</u>	<u>\$ -</u>
<u>U.S. Department of Justice</u>				
<i>Passed through Governor's Office for Children, Youth, Families:</i>				
Juvenile Justice and Delinquency Program - Too Good for Drugs	16.540	J2-CSG-17-0901116-02	\$ 80,922	\$ -
Juvenile Justice and Delinquency Program	16.540	PC-DSG-16-070116-00	150,981	-
Juvenile Justice and Delinquency Program - Training and TA Opioid Project	16.540	AC-VSG-17-020117-01	38,022	-
Total U.S. Department of Justice			<u>\$ 269,925</u>	<u>\$ -</u>
<u>U.S. Department of Education</u>				
<i>Passed through Arizona Department of Education:</i>				
<i>CFDA No. 84.010:</i>				
Title I Grants to Local Educational Agencies	84.010	10-87-44-000	334,147	-
Title I Grants to Local Educational Agencies	84.010	10-87-96-000	1,149,197	-
<i>Total CFDA No. 84.010</i>			<u>1,483,344</u>	<u>-</u>
Migrant Education - Basic State Grant Program	84.011	10-87-44-000	230,991	-
<i>CFDA No. 84.027:</i>				
IDEA Basic Education	84.027	10-87-44-000	105,070	-
IDEA Basic Education	84.027	10-87-96-000	825,206	-
<i>Total CFDA No. 84.027</i>			<u>930,276</u>	<u>-</u>
Title III Immigrant Education	84.365	10-87-44-000	21,480	-
<i>CFDA No. 84.367:</i>				
Title II Improving Teacher Quality	84.367	10-87-44-000	9,328	-
Title II Improving Teacher Quality	84.367	10-87-96-000	17,655	-
<i>Total CFDA No. 84.367</i>			<u>26,983</u>	<u>-</u>
Total U.S. Department of Education			<u>\$ 2,693,074</u>	<u>\$ 0</u>

Attachment 1
 PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP) Ohio Digital Learning School
 ODL's New School Application
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2017

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal CFDA number	Pass-through Grantor's Number	Expenditures	
			Federal	Other
<u>U.S. Department of Transportation</u>				
<i>Passed through Arizona Department of Transportation:</i>				
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	AZ-65-X-007	\$ 170,132	\$ -
Total U.S. Department of Transportation			<u>\$ 170,132</u>	<u>\$ -</u>
<u>Other Financial Assistance</u>				
<u>State of Arizona</u>				
<i>Passed through Arizona Department of Education:</i>				
Charter School - State Equalization	N/A	10-87-44-000	\$ -	\$ 4,822,700
Proposition 123	N/A	10-87-44-000	-	71,975
Prop 301 - Base Pay	N/A	10-87-44-000	-	80,864
Prop 301 - Performance Pay	N/A	10-87-44-000	-	144,543
Prop 301 - Dropout Prevention	N/A	10-87-44-000	-	79,379
SIG Focus	N/A	10-87-44-000	-	41,211
Prop 301 - Base Pay	N/A	10-87-96-000	-	714,540
Prop 301 - Performance Pay	N/A	10-87-96-000	-	620,520
Menu Items	N/A	10-87-96-000	-	836,480
Prop 202	N/A	10-87-96-000	-	204,075
Proposition 123	N/A	10-87-96-000	-	190,109
Charter School - State Equalization	N/A	10-87-96-000	-	27,511,152
Total State of Arizona			<u>\$ -</u>	<u>\$ 35,317,548</u>
<u>Pima County</u>				
<i>Passed through Pima County Community Services:</i>				
Temporary Assistance for Needy Families (TANF): Eviction Prevention	N/A	CT-CS-15-0496	\$ 0	\$ 7,000
Youth Services	N/A	CT-CS-17-212	-	40,856
Summer Youth Activities	N/A	CT-CS-17-349	-	48,235
Summer Youth Activities	N/A	CT-CS-16-287	-	63,483
AAMMp Up	N/A	CT-CS-16-419	-	33,878
Superior Court	N/A	BPSC1100050	-	1,715
Total Pima County			<u>\$ -</u>	<u>\$ 195,167</u>
<u>Cenpatico</u>				
Behavioral Health Services	N/A	N/A	\$ -	\$ 475,184
<u>Arizona Commission on the Arts</u>				
Guitar classes	N/A	N/A	-	2,500
<u>Federal Communications Commission</u>				
<i>Passed through the Universal Service Administrative Company:</i>				
Schools and Libraries Program	N/A	N/A	-	208,906
<u>City of San Luis</u>				
Training and Employment Programs	N/A	N/A	-	29,564
Total federal and other governmental expenditures			<u>\$ 7,039,394</u>	<u>\$ 36,270,764</u>

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2017

Note 1 - Basis of preparation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Portable Practical Educational Preparation, Inc. under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Portable Practical Educational Preparation, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Portable Practical Educational Preparation, Inc.

Note 2 – Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Classification of federal awards

For purposes of classifying federal awards as either Type A or Type B, the following CFDA numbers were considered to be a cluster: WIA/WIAO CLUSTER - CFDA Numbers 17.258, 17.259, and 17.278.

Note 4 - Other contracts

In the event that the grantor was either unable to or did not confirm the source of federal funds all amounts were assumed to be federal for purposes of the schedule of expenditures of federal awards.

Note 5 - Major programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

Note 6 – Reconciliation of schedule of expenditures of Federal awards to Statement of Activities

Total Federal expenditures - SEFA	\$ 7,039,394
Total Non-Federal expenditures -SEFA	36,270,764
Plus: Arizona Department of Economic Security DDD vendor contracts	7,248,300
Total governmental financial assistance – Statement of Activities	<u>\$ 50,632,605</u>

Note 7 – Indirect cost rate

Portable Practical Educational Preparation, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Portable Practical Educational Preparation, Inc. used the federally negotiated indirect cost rate of 17.54%.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended June 30, 2017

FINDINGS - FINANCIAL STATEMENT AUDIT

Material weakness

2016-001

Condition and Criteria

See Finding 2016-001. The Organization was not able to produce the original Monthly Billing Binders containing documentation related to services provided to program participants for all months during the fiscal year ended June 30, 2016, except for the month of May 2016, and prior years. The binders contain copies of Attendance Sheets and Transportation Logs used for billing.

Grantee Response and Corrective Action Plan

PPEP, Inc. (the Organization) underwent an integration of its behavioral health and IDD programs, requiring re-construction of its administrative offices and centralizing all billing services, including this contract. During this transition, certain documents and records were inadvertently misplaced. However, alternate forms of support are available and are being gathered to support the billing documentation. PPEP, Inc. is continuing to research the disposition of the misplaced monthly billing binders.

A new billing system has been developed where invoicing is now automated, in real time data. Documentation and support for invoicing is now kept electronically, in addition to hard copy versions. The electronic data is held in cloud storage to insure security of financial and confidential records. Access to billing and financial records is limited to further insure security and integrity of data.

In addition, retention procedures are in place and training has been provided to appropriate staff on retention requirements to comply with contractual obligations.

**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
INDEX TO AUDITED FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION, AND
SINGLE AUDIT REPORTS AND SCHEDULES
June 30, 2016**

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SINGLE AUDIT REPORTS AND SCHEDULES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Portable Practical Educational Preparation, Inc. (PPEP)
Tucson, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of Portable Practical Educational Preparation, Inc. (PPEP) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The Organization was unable to locate certain records supporting amounts billed for transportation and day treatment services for participants in its disabled adults' services program. We were therefore not able to form an opinion regarding the amount of the related revenue of \$1,592,456 included in the accompanying Statement of Activities with Governmental Financial Assistance.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Portable Practical Educational Preparation, Inc. (PPEP) as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

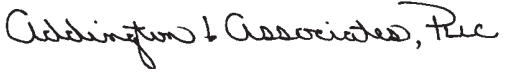
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Also, the accompanying Schedule of Charter School Revenues and Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2017 on our consideration of Portable Practical Educational Preparation, Inc. (PPEP)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Portable Practical Educational Preparation, Inc. (PPEP)'s internal control over financial reporting and compliance.

April 5, 2017


ADDINGTON ASSOCIATES, PLLC

Attachment 1
 ODLS New School Application
PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
STATEMENT OF FINANCIAL POSITION
June 30, 2016

Ohio Digital Learning School

ASSETS

Current assets:

Cash and cash equivalents	\$	1,760,615
Restricted cash, current		3,904,998
Accounts and grants receivable		3,165,538
Note receivable, current portion		30,401
Prepays and deposits		140,639
Due from affiliate		138,153
Total current assets		9,140,344

Property and equipment:

Land	\$	1,879,507
Buildings and improvements		10,185,876
Software		656,346
Furniture and equipment		2,971,155
Vehicles		3,264,187
Work in process		278,225
		19,235,296
Accumulated depreciation and amortization		9,402,560
Total property and equipment, net		9,832,736

Other Assets:

Note receivable, noncurrent portion		508,244
Deposits		44,983
Investment - other		339,795
		893,022

Total assets \$ 19,866,102

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	768,662
Accrued expenses		2,465,919
Current portion of long-term debt		766,874
Unearned program income and advance payments on contracts		3,684,334
Total current liabilities		7,685,789

Long-term debt, net of current portion **3,738,817**

Total liabilities **11,424,606**

Net assets:

Unrestricted net assets		8,441,496
Total net assets		8,441,496

Total liabilities and net assets \$ 19,866,102

See Accompanying Notes.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)

STATEMENT OF ACTIVITIES

For the year ended June 30, 2016

Unrestricted net assets

Support and revenue:

Governmental financial assistance	\$ 50,574,984
Indirect cost revenue	24,993
Donations	652,909
Counseling fees	68,478
Rent	79,580
Interest	7,304
Management fees	32,148
PPEP California - Support services contract	57,000
Other	424,059
Gain on disposal of fixed assets	126,506
Total support and revenue	<u>52,047,961</u>

Expenses:

Program services:	
Human and other services	874,509
Behavioral health services	684,463
Disabled adult services	6,410,915
Employment and training	2,798,687
Education	36,907,138
Total program services	<u>47,675,712</u>
Management and general	3,244,817
Total expenses	<u>50,920,529</u>

Increase in unrestricted net assets	1,127,432
Unrestricted net assets, beginning of year	<u>7,314,064</u>
Unrestricted net assets, end of year	<u>\$ 8,441,496</u>

See Accompanying Notes.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2016

	Human and Other Services	Behavioral Health Services	Disabled Adult Services	Employment and Training	Education	Total Program Services	Management and General	Total
Personnel	\$ 510,939	\$ 504,687	\$ 4,866,399	\$ 1,437,105	\$ 3,969,202	\$ 11,288,332	\$ 1,617,549	\$ 12,905,881
Occupancy	8,906	102,202	388,201	124,147	631,700	1,255,156	437,435	1,692,591
Telephone and communications	5,219	10,462	66,438	35,019	148,858	265,996	69,482	335,478
Travel and transportation	16,579	9,033	355,298	197,859	87,799	666,568	125,264	791,832
Office and program supplies	9,399	6,848	315,037	182,482	463,295	977,061	154,704	1,131,765
Contractual	1,300	28,034	63,400	120,312	31,335,491	31,548,537	408,000	31,956,537
Supportive services and training	320,405	535	24,017	651,693	44,310	1,040,960	104,929	1,145,889
Depreciation	1,415	22,173	250,879	49,257	167,044	490,768	167,388	658,156
Interest	347	489	79,197	813	59,439	140,285	144,666	284,951
Donations	-	-	-	-	-	-	2,575	2,575
Bad debt expense	-	-	2,049	-	-	2,049	12,825	14,874
	<u>\$ 874,509</u>	<u>\$ 684,463</u>	<u>\$ 6,410,915</u>	<u>\$ 2,798,687</u>	<u>\$ 36,907,138</u>	<u>\$ 47,675,712</u>	<u>\$ 3,244,817</u>	<u>\$ 50,920,529</u>

See Accompanying Notes.

Attachment 1
 ODLS New School Application
 Ohio Digital Learning School
PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
STATEMENT OF CASH FLOWS
For the year ended June 30, 2016

Cash flows from operating activities:

Increase in net assets	\$	1,127,432
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	\$	658,156
(Gain) on sale of fixed assets		(126,506)
(Increase) in value of share of consortium		(124,635)
(Increase) decrease in operating assets:		
Accounts and grants receivable		(1,008,284)
Amount due from management company		312,905
Prepaid and deposits		55,686
Deposits, long-term		(20,342)
Increase (decrease) in operating liabilities:		
Accounts payable		47,562
Accrued expenses		1,415,082
Unearned program income and advance payments on contracts		(261,995)
Total adjustments		<u>947,629</u>
Net cash provided by operating activities		<u>2,075,061</u>

Cash flows from investing activities:

Payments for property and equipment	(536,838)
Proceeds from sale of assets	330,288
Net (increase) in restricted cash	(566,919)
Net increase in amount due from affiliate	32,356
Principal collections - notes receivable	16,610
Net cash (used) in investing activities	<u>(724,503)</u>

Cash flows from financing activities:

Principal payments on long-term debt	(824,956)
Repayments - line of credit	(200,000)
Net cash (used) in financing activities	<u>(1,024,956)</u>

Net increase in cash and cash equivalents 325,602

Cash and cash equivalents, beginning of year 1,435,013

Cash and cash equivalents, end of year \$ 1,760,615

Supplemental disclosure of cash flow information:

Cash paid during the year for:		
Interest	\$	<u>258,605</u>
Taxes	\$	<u><u>0</u></u>

Noncash investing and financing activity:

Fixed assets totaling \$175,500 were purchased by issuing long-term debt. The sale of fixed assets were financed by a note receivable for \$150,000.

See Accompanying Notes.

**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

1. Organization and goals and entity presented

Portable Practical Educational Preparation, Inc. (PPEP), PPEP Microbusiness and Housing Development Corporation (PMHDC), PPEP Senior Housing Services Corporation (PSHSC), PPEP First American Resources and Services, Inc. (PFARS), and the PPEP Foundation (Foundation) are nonprofit organizations incorporated in Arizona. The Agencies are governed by independent Boards of Directors; however, the Agencies' day-to-day operations are the responsibility of a common management team. In addition, the Agencies share common facilities, equipment and personnel.

Entity presented

The accompanying financial statements present only the accounts of PPEP (Agency) and do not include the accounts for PMHDC, PSHSC, PFARS, or the Foundation.

Goals

The Agency's goals are to provide services to the rural poor of the State of Arizona through a network of community-based aides with supporting staff in Tucson. Services are provided in the following broad categories:

Human services

Improving the standard of rural living through emergency services, social work, outreach, education and advocacy.

Behavioral health services

Providing group, family, and individual counseling services.

Disabled adult services

Providing supervised homes, transportation, and day programs for the developmentally disabled.

Employment and training

Placing rural poor and farm workers into productive employment through outreach and referral.

Education

Providing public school education for kindergarten through the twelfth grade through the PPEC TEC High Schools and the Arizona Virtual Academy, which are Arizona charter schools, and a high school equivalency program.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

2. Summary of significant accounting policies

Financial statement presentation

The Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash equivalents. Cash and cash equivalents that have been designated for long-term purposes or received with donor imposed restrictions limiting its use to long-term purposes is not considered cash and cash equivalents for purposes of the Statement of Financial Position and the Statement of Cash Flows.

Investment - other

The Organization records its investment in a captive insurance company using the equity method of accounting.

Property and equipment

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets. The Agency capitalizes all assets of \$2,500 or more with an estimated useful life greater than two years.

Revenue and receivables

The Agency is principally funded through various grants, cost reimbursement contracts, and performance based contracts with federal, state and local governmental entities and private foundations. Revenue is recognized as follows:

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

2. Summary of significant accounting policies - continued

Revenue and receivables - continued

- Grants - On a straight-line basis over the life of the grant or as costs are incurred.
- Cost reimbursement contracts - As costs are incurred under the contract.
- Performance based contracts - Revenue is recognized as performances of units of service are provided.

Amounts due the Agency for revenues earned, as described above, are classified as *Accounts and grants receivable*. No provision for uncollectible accounts and grants receivable has been provided as the amounts were substantially collected subsequent to year end or represent billings to governmental entities under contractual agreements.

Restricted and unrestricted revenue and support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Significantly all governmental cost reimbursement grant awards are classified as refundable advances until expended for the purposes of the grants since they are considered to be conditional promises to give.

Advertising

The Agency uses advertising to promote its programs among the population it serves and to recruit employees. The production costs of advertising are expensed as incurred. During the current year, advertising costs totaled \$60,765.

Indirect costs

All expenses which can be specifically identified by contract (direct expenses) are charged to the applicable contract. Indirect costs are charged to the contracts using a provisional indirect cost rate approved by the Department of Labor which is applied to wages and fringe benefits.

The indirect cost rate is subject to adjustment and possible refund of revenues to the various grantors if the actual rate is less than the provisional rates. Correspondingly, if the actual rate is higher than the provisional rate, the various grants may be charged with additional cost. At June 30, 2016, contracts had been adjusted for the actual indirect cost rate through the end of the year.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

2. Summary of significant accounting policies - continued

Expense allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes

PPEP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A). PPEP is classified as an organization that is not a private foundation under 509(a)(2). The agency is also exempt from Arizona state income taxes.

Management's opinion is that no uncertain income tax positions have been taken and no adjustments have been recorded for potential related tax liabilities. Any penalties or interest which may be charged on tax examinations would be deducted in the year the assessment was made. Tax returns are generally subject to audit by the federal government for three years from the filing date and four years from the filing date for Arizona.

3. Cash and cash equivalents

At June 30, 2016 certain cash and cash equivalents were restricted by grant agreements for specific program purposes.

The following is a summary of cash restricted for specific use at June 30, 2016:

State of Arizona-Classroom Site Funds and Instructional Improvement Funds	<u>\$ 3,904,998</u>
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4. Investment - other

Investment – other consists of the following at June 30, 2016:

Arizona Health Reciprocal Insurance Company	<u>\$ 339,795</u>
Total	<u><u>\$ 339,795</u></u>

PPEP invested in Arizona Health Reciprocal Insurance Company for the purpose of gaining access to health insurance for its employees from a captive insurance company. The investment represents approximately 7% of the capital of the captive insurance company and is accounted for using the equity method of accounting.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

5. Lines of credit

As of June 30, 2016, PPEP had an open line of credit with JP Morgan Chase Bank, maturing April 1, 2017. The maximum amount available is \$1,000,000 and bears interest at LIBOR plus 3% per annum. The line of credit is collateralized by real estate and business assets. The outstanding balance on the line of credit at June 30, 2016 was \$0.

6. Long-term debt

Long-term debt at June 30, 2016 is summarized as follows:

Mortgage notes, payable in monthly installments totaling \$46,149, at June 30, 2016, including interest at 3.03% to 8.50%, maturing at various dates through October 2031. The notes are collateralized by real estate utilized by a program for the developmentally disabled (group homes), administration buildings, and charter schools.	\$3,776,223
Vehicle, and equipment notes payable, due in monthly installments totaling \$10,761, at June 30, 2016, interest at .90% to 7.14%, maturing at various dates through August 2019. Collateralized by vehicles and equipment purchased.	216,900
Notes payable to PMHDC, due in monthly installments totaling \$9,682, at June 30, 2016, interest at 2% to 8%, maturing at various dates through March 30, 2030. Collateralized as follows: first deed of trust for \$112,433; second deeds of trust for \$242,563; equipment purchased of \$132,741; the remaining \$24,831 is uncollateralized.	<u>512,568</u>
Total long-term debt	4,505,691
Less current portion	<u>766,874</u>
Non-current portion	<u>\$3,738,817</u>

The combined current maturities of long-term debt are as follows:

Year ended June 30, 2016	\$ 766,874
2017	753,417
2018	327,645
2019	852,817
2020	736,909
Thereafter	<u>1,068,029</u>
	<u>\$4,505,691</u>

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

7. Affiliated entities - transactions and balances

Due from affiliate

Due from affiliate represents the temporary loan of funds from PPEP to PMHDC of \$138,153. No interest is charged on the outstanding balance as the balance normally represents operational costs of PMHDC, which were paid by PPEP, that are to be repaid from PMHDC's accounts receivable collections on a short term basis.

Note receivable – affiliated entity

During 2012, PPEP negotiated a note receivable for \$449,777 from PMHDC for a portion of the outstanding advances made to PHMDC in prior years. Monthly payments of \$2,275, including principal and interest at 2% per annum, began on August 1, 2012. The loan is unsecured and matures July 1, 2032. At June 30, 2016, the outstanding balance of the note was \$375,249, of which \$19,982 is classified as current in the accompanying financial statements. Interest received on the note was \$7,718 for the year ended June 30, 2016.

Notes payable - PMHDC

As presented in Note 5, PPEP has borrowed funds totaling \$512,568 from PMHDC's Micro Loan programs for real estate purchases and equipment.

Revenue and expense

During the year ended June 30, 2016 PPEP charged PMHDC \$24,993 for its portion of indirect costs. PMHDC charged PPEP \$29,193 for interest on the interagency loans and \$60,000 for rent for the year ended June 30, 2016.

Management fees

PPEP receives HUD approved property management fees from PMHDC and PSHSC which totaled \$32,148 for the year ended June 30, 2016. The property management agreements are subject to periodic renewal and approval by HUD.

8. Lease commitments

The Agency leases various office and program facilities and equipment under both cancelable and non-cancelable operating leases. A number of the real estate leases contain a loss of funding clause which allows the Agency to terminate the leases on a 30 to 90 day written notice. The following is a schedule by years of future rental payments due under non-cancelable leases considering termination clauses:

Year ended June 30,		Program <u>facilities</u>	<u>Equipment</u>
	2017	\$ 98,897	\$ 3,126
	2018	6,209	3,126
	2019		3,126
	2020		3,126
	2021		2,344

**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016**

8. Lease commitments - continued

In addition, the Agency leases office space on a month-to-month basis. The total program facilities rent expense was \$504,677 and \$30,556 for equipment rent for the year ended June 30, 2016.

9. Pension plan

The Agencies have a defined contribution pension plan which covers full-time and part-time employees who work greater than 1,000 hours during the plan year and are employed by the Agencies on the last day of the plan year. The Plan provides that the Agencies will make a contribution for each eligible employee up to 5% of direct chargeable salaries at the Agencies' discretion. Employees are 100% vested in the Plan after six years of service. On January 1, 2001 the Plan was amended to include a 401(k) provision to allow employees to make tax-deferred contributions to the Plan. Employees hired after December 31, 2000 are subject to the eligibility requirements of the amended Plan. Under the amended Plan, employees must be 21 years of age and must have completed 1,000 hours of service during the Plan year. The employer's contribution to this part of the Plan is also discretionary. The Agencies contributed \$100,000 to the 401(k) part of Plan during the year ended June 30, 2016.

10. Contingencies and commitments

Equipment

Title to equipment owned is in the name of the Agency and the equipment is used in the Agency's operations. A portion of the funding to purchase the equipment was obtained from various governmental organizations; the Agencies may be required to turn over the equipment to the governmental organizations upon termination of certain programs.

Federal and state awards

The Agency participates in a number of Federal and State assisted grant and contract programs, and a significant reduction in the level of this support, if it were to occur, would have a material effect on its programs and activities. The governmental funding is also subject to compliance audits. Assessments from such audits, if any, are recorded when the amounts of such assessments are reasonably determinable.

K-12, Inc. contract and amount due from management company

PPEP is the charter holder for the Arizona Virtual Academy (Academy), an Arizona charter school, and contracts with K-12, Inc. to operate the Academy. The total net amount paid to K-12, Inc., under the terms of the contract was \$31,022,206 for the year ended June 30, 2016. At June 30, 2016 PPEP owed K-12, Inc. \$1,784,925 which is included in Accrued Expenses in the accompanying financial statements. The amount is payable to K-12, Inc. from related grant receivable collections subsequent to year end. In addition, K-12, Inc. receives payments on certain grants directly on behalf of PPEP. At year end, any amounts received on behalf of PPEP and held by K-12, Inc. are reflected in the accompanying financial statements as Amount Due From Management Company and the offsetting balance is included in Deferred Revenue. At June 30, 2016, there were no amounts being held by K-12, Inc. on PPEP's behalf.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

10. Contingencies and commitments - continued

Litigation

PPEP is subject to legal proceedings and claims which arise in the ordinary course of business, and which are being defended under its general liability insurance policy. In the opinion of management, it is unlikely that PPEP will incur any material losses in excess of the limits of the liability insurance policy.

11. Notes receivable

The notes receivable balance is comprised of the following at June 30, 2016:

	Original Note	Collateral	Maturity	Monthly Payment	Interest Rate	Current	Noncurrent	6/30/2016 Balance
Due from third parties:								
North Colombia Avenue	\$ 150,000	1st DOT	1/15/2031	\$ 1,186	5%	\$ 7,392	\$ 140,336	\$ 147,728
Arivaca land	22,000	1st DOT	3/1/2021	306	4.5%	3,027	12,641	15,667
						<u>10,419</u>	<u>152,977</u>	<u>163,396</u>
Due from affiliate:								
PMHDC - See Note 7	449,777	Unsecured	7/1/2032	2,275	2%	19,982	355,268	375,249
						<u>\$ 30,400</u>	<u>\$ 508,245</u>	<u>\$ 538,645</u>

12. Concentrations of credit risk

Cash balances

The Agency maintains its cash balances at several financial institutions located in Southern Arizona. Accounts at each of the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Management monitors the financial condition of the banking institutions, along with their balances in cash and cash equivalents and attempts to limit this potential risk. The following is a summary of uninsured balances maintained by the Agency at June 30, 2016:

- JP Morgan Chase Bank \$ 5,602,581

13. PPEP California revenues

Support services contract

Portable Practical Educational Preparation, Inc. and PPEP-California (now known as the Olin Virtual Academy) entered into a Support Services Agreement effective July 1, 2013 to provide accounting, payroll, human resources, and teacher support services to PPEP CA/Olin. Under the terms of the contract, PPEP CA/Olin paid PPEP Inc. \$9,500 per month. The Support Services Agreement was terminated on December 31, 2014 based upon a mutual agreement. As part of the termination agreement, PPEP received an additional \$114,000 which was recognized \$9,500 per month over a twelve month period for additional services that may be required during the post termination period. The total amount recognized as revenue was \$57,000 for the year ended June 30, 2016.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

14. Subsequent events

PPEP has evaluated subsequent events through April 5, 2017, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Attachment 1
 PDLS New School Application Ohio Digital Learning School
PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SCHEDULE OF CHARTER SCHOOL REVENUES AND EXPENSES
For the year ended June 30, 2016

	PPEP Tech High School	Arizona Virtual Academy	Total
Revenues:			
<i>Arizona Department of Education:</i>			
Equalization Assistance Payments	\$ 5,218,030	\$ 28,275,731	\$ 33,493,761
Classroom Site Fund- Proposition 301	335,633	1,080,451	1,416,084
Instructional Improvement Fund	5,259	280,002	285,261
SI Priority and Focus Grant	128,685	46,583	175,268
Proposition 123	-	183,243	183,243
<i>U.S. Department of Agriculture:</i>			
School Breakfast and Lunch Program	268,447	-	268,447
<i>U.S. Department of Education:</i>			
Title I - Grants to Local Education Agencies	258,713	1,199,131	1,457,844
Migrant Education - Basic State Grant	330,333	-	330,333
Title III LEP Program	21,019	-	21,019
Title II - Improving Teacher Quality	24,028	33,818	57,846
IDEA Basic Education	123,880	835,762	959,642
Race To the Top	-	29,909	29,909
<i>Other:</i>			
Erate revenue	116,622	-	116,622
Miscellaneous	9,054	-	9,054
Donations	2,750	-	2,750
Total revenues	6,842,453	31,964,630	38,807,083
Expenses:			
Personnel	3,969,202	-	3,969,202
Occupancy	631,700	-	631,700
Telephone and communications	148,858	-	148,858
Travel and transportation	87,800	-	87,800
Office and program supplies	463,295	-	463,295
Contractual and K12 contract	313,285	31,022,206	31,335,491
Interest	59,439	-	59,439
Supportive Services	44,310	-	44,310
Indirect cost	689,967	-	689,967
Depreciation	167,044	-	167,044
Total expenses	6,574,900	31,022,206	37,597,106
Excess of revenues over expenses	\$ 267,553	\$ 942,424	\$ 1,209,977

See Accompanying Auditor's Report.

SINGLE AUDIT REPORTS AND SCHEDULES



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Portable Practical Education Preparation, Inc.
Tucson, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Portable Practical Education Preparation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 5, 2017. Our opinion on the financial statements was qualified due to a scope limitation as the Organization was unable to locate certain records supporting amounts billed for transportation and day treatment services for participants in its disabled adults' services program totaling \$1,592,456.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Portable Practical Education Preparation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Portable Practical Education Preparation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control (2016-001), described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Portable Practical Education Preparation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2016-001.

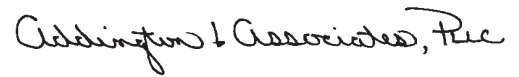
Portable Practical Education Preparation, Inc.'s Response to Findings

Portable Practical Education Preparation, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Portable Practical Education Preparation, Inc. response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

April 5, 2017



ADDINGTON ASSOCIATES, PLLC



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Portable Practical Education Preparation, Inc.
Tucson, Arizona

Report on Compliance for Each Major Federal Program

We have audited Portable Practical Education Preparation, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Portable Practical Education Preparation, Inc.'s major federal programs for the year ended June 30, 2016. Portable Practical Education Preparation, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Portable Practical Education Preparation, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Portable Practical Education Preparation, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Portable Practical Education Preparation, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Portable Practical Education Preparation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Portable Practical Education Preparation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Portable Practical Education Preparation, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Portable Practical Education Preparation, Inc.'s internal control over compliance.

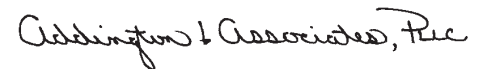
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness*

in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

April 5, 2017


ADDINGTON ASSOCIATES, PLLC

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2016

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Qualified*

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified
 that are not considered to be
 material weaknesses? yes X no

Noncompliance material to financial
 statements noted? X yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified
 that are not considered to be
 material weakness(es)? yes X no

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that
 are required to be reported in
 accordance with 2 CFR section
 200.516(a)? yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.011	ESEA Title I, Part C: Migrant Education
17.264	National Farmworker Jobs Program

Dollar threshold used to distinguish
 between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2016

FINDINGS - FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2016-001 – Arizona Department of Economic Security – Vendor Contract PZ900000357 – Document Retention

Condition: The Organization was not able to produce the original Monthly Billing Binders containing documentation related to services provided to program participants for all months during the fiscal year ended June 30, 2016, except for the month of May 2016, and prior years. The binders contain copies of Attendance Sheets and Transportation Logs used for billing.

Criteria: The contract requires that the Organization retain all documentation related to the provision of services provided to program participants for which the Organization requested payment.

Cause: Not determinable by the auditor. See “Views of Responsible Officials and Planned Corrective Actions” below.

Effect: The reimbursement for services provided for which there is a lack of support could be disallowed by the funding source.

Recommendation: Procedures should be implemented to insure that all contract related documentation is retained in compliance with the contract requirements.

Views of Responsible Officials and Planned Correction Actions:

PPEP, Inc. (the Organization) underwent an integration of its behavioral health and IDD programs, requiring re-construction of its administrative offices and centralizing all billing services, including this contract. During this transition, certain documents and records were inadvertently misplaced. However, alternate forms of support are available and are being gathered to support the billing documentation. PPEP, Inc. is continuing to research the disposition of the misplaced monthly billing binders.

A new billing system has been developed where invoicing is now automated, in real time data. Documentation and support for invoicing is now kept electronically, in addition to hard copy versions. The electronic data is held in cloud storage to insure security of financial and confidential records. Access to billing and financial records is limited to further insure security and integrity of data.

In addition, retention procedures are in place and training has been provided to appropriate staff on retention requirements to comply with contractual obligations.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

Attachment 1
 PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP) Ohio Digital Learning School
 ODL's New School Application
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2016

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal CFDA number	Pass-through Grantor s Number	Expenditures	
			Federal	Other
U.S. Department of Health and Human Services				
<i>CFDA No. 93.569:</i>				
<i>Passed through Arizona Department of Economic Security:</i>				
Community Services Block Grant	93.569	ADES15-089119	\$ 97,107	\$ -
<i>Passed through Pima County Community Services:</i>				
Community Services Block Grant	93.569	CT-CS-15-0496	9,200	-
<i>Total CFDA No. 93.569</i>			106,307	-
 <i>CFDA No. 93.558:</i>				
<i>Passed through Arizona Department of Economic Security:</i>				
Temporary Assistance for Needy Families (TANF)	93.558	ADES15-089119	63,701	-
Temporary Assistance for Needy Families (SSBG)	93.558	ADCS14-074799	6,041	3,236
<i>Passed through Pima County Community Services:</i>				
Temporary Assistance for Needy Families (SSBG)	93.558	CT-CS-15-0496	10,836	-
Temporary Assistance for Needy Families (TANF)	93.558	CT-CS-15-0496	40,510	-
<i>Total CFDA No. 93.558</i>			121,088	3,236
 <i>CFDA No. 93.667:</i>				
<i>Passed through Arizona Department of Economic Security:</i>				
Social Services Block Grant	93.667	ADCS14-074799	12,298	-
Social Services Block Grant - Domestic Violence Counseling	93.667	ADCS14-074819	75,927	-
<i>Total CFDA No. 93.667</i>			88,225	-
 <i>CFDA No. 93.778:</i>				
<i>Passed through Community Partnership of Southern Arizona:</i>				
Medical Assistance Program - Title XIX	93.778	S0504	49,715	-
<i>Passed through Pantano Behavioral Health Services:</i>				
Medical Assistance Program	93.778	PPEP.1011 Amend #4	3,988	-
<i>Passed through Terros Family First:</i>				
Arizona Families First	93.778	ADCS14-074862	133,810	-
<i>Passed through CODAC:</i>				
Centers for Medicare and Medicaid Services (CMS) Research	93.778	000033	6,407	-
<i>Passed through La Frontera:</i>				
Centers for Medicare and Medicaid Services (CMS) Research	93.778	234	27,250	-
<i>Total CFDA No. 93.778</i>			221,170	-
 <i>Passed through Pima County Community Services:</i>				
Workforce Investment Act - HPOG	93.093	CT-CS-14-0483	18,139	-
 <i>Passed through Pantano Behavioral Health Services:</i>				
Children's Health Insurance Program	93.767	PPEP.1011 Amend #4	3,988	-
Community Mental Health Services (CMHS) Block Grant	93.958	PPEP.1011 Amend #4	3,988	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	PPEP.1011 Amend #4	3,988	-
Total U.S. Department of Health and Human Services			\$ 566,893	\$ 3,236
 U.S. Department of Labor				
Direct programs:				
Workforce Investment Act - National Farmworker Jobs Program	17.264	AC-24024-13-55-A-4	\$ 2,285,153	\$ -
<i>CFDA No. 17.274:</i>				
Youthbuild	17.274	YB-24703-13-60-A-4	336,847	-
Youthbuild	17.274	YB-27783-15-60-A-4	205,696	-
<i>Total CFDA No. 17.274</i>			542,543	-
 <i>WIA/WIAO CLUSTER:</i>				
<i>CFDA No. 17.258:</i>				
<i>Passed through Pima County Community Services:</i>				
Workforce Investment Act - Adult Program	17.258	CT-CS-14-0483	403,355	-
Workforce Investment Act	17.258	CT-CS-15-0084	6,209	-
Workforce Investment Act	17.258	CT-CS-14-0360	260	-
<i>Total CFDA No. 17.258</i>			409,824	-
<i>Passed through Yuma Private Industry Council:</i>				

Attachment 1
 PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP) Ohio Digital Learning School
 ODL's New School Application
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2016

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal CFDA number	Pass-through Grantor s Number	Expenditures	
			Federal	Other
Workforce Investment Act - Adult and Dislocated Workers <i>CFDA No. 17.259:</i>	17.278	N/A	73,635	-
<i>Passed through Pima County Community Services:</i>				
Workforce Investment Act - Youth Program	17.259	CT-CS-16-0078	85,478	-
Workforce Investment Act - Youth Program	17.259	CT-CS-15-0465	6,137	-
<i>Total CFDA No. 17.259</i>			91,615	-
WIA/WIAO CLUSTER TOTAL			575,074	-
Workforce Investment Act - Mature Workers	17.235	CT-CS-15-0512	58,206	37,214
Total Department of Labor			\$ 3,460,976	\$ 37,214
<u>U.S. Department of Agriculture</u>				
<i>Passed through Arizona Department of Education:</i>				
National School Lunch Program	10.555	10-87-44-000	\$ 268,447	\$ -
Total U.S. Department of Agriculture			\$ 268,447	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
Direct programs:				
Rural Innovation Fund Program	14.263	RU-11-AZ-C-0048	\$ 140,104	\$ -
<i>Passed through Pima County Community Services:</i>				
HYNP - Help Your Neighbor Program	14.218	CT-CD-15*0181	3,781	-
Total U.S. Department of Housing and Urban Development			\$ 143,885	\$ -
<u>Corporation for National Community Service</u>				
<i>Passed through Youthbuild USA:</i>				
YouthBuild Americorps	94.006	13NDHMA0010051	\$ 76,825	\$ -
Total Corporation for National Community Service			\$ 76,825	\$ -
<u>U.S. Department of Education</u>				
Direct programs:				
Migrant Education - High School Equivalency Program	84.141	S141A100013	\$ 16,953	\$ -
<i>Passed through Arizona Department of Education:</i>				
<i>CFDA No. 84.010:</i>				
Title I Grants to Local Educational Agencies	84.010	10-87-44-000	258,713	-
Title I Grants to Local Educational Agencies	84.010	10-87-96-000	1,199,131	-
<i>Total CFDA No. 84.010</i>			1,457,844	-
Migrant Education - Basic State Grant Program	84.011	10-87-44-000	330,333	-
<i>CFDA No. 84.027:</i>				
IDEA Basic Education	84.027	10-87-44-000	123,880	-
IDEA Basic Education	84.027	10-87-96-000	835,762	-
<i>Total CFDA No. 84.027</i>			959,642	-
Title III Immigrant Education	84.365	10-87-44-000	21,019	-
<i>CFDA No. 84.367:</i>				
Title II Improving Teacher Quality	84.367	10-87-44-000	24,028	-
Title II Improving Teacher Quality	84.367	10-87-96-000	33,818	-
<i>Total CFDA No. 84.367</i>			57,846	-
Race to the Top	84.395	10-87-96-000	29,909	-
Total U.S. Department of Education			\$ 2,873,546	\$ -

Attachment 1
 PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP) Ohio Digital Learning School
 ODL's New School Application
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2016

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal CFDA number	Pass-through Grantor s Number	Expenditures	
			Federal	Other
<u>U.S. Department of Transportation</u>				
<i>Passed through Arizona Department of Transportation:</i>				
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	JPA 12-084	\$ 17,153	\$ 1,906
Total U.S. Department of Transportation			<u>\$ 17,153</u>	<u>\$ 1,906</u>
<u>Federal Emergency Management Agency</u>				
<i>Passed through United Way:</i>				
Emergency Food and Shelter Program	97.024	027200-002	\$ 4,003	\$ -
Total Federal Emergency Management Agency			<u>\$ 4,003</u>	<u>\$ -</u>
<u>Other Financial Assistance</u>				
<u>State of Arizona</u>				
<i>Passed through Arizona Department of Education:</i>				
Charter School - State Equalization	N/A	10-87-44-000	\$ -	\$ 5,218,030
Prop 301 - Base Pay	N/A	10-87-44-000	-	81,684
Prop 301 - Performance Pay	N/A	10-87-44-000	-	141,322
Prop 301 - Dropout Prevention	N/A	10-87-44-000	-	112,627
Instructional Improvement Funds	N/A	10-87-44-000	-	5,259
SI Priority and Focus Grant	N/A	10-87-44-000	-	128,685
Prop 301 - Base Pay	N/A	10-87-96-000	-	385,929
Prop 301 - Performance Pay	N/A	10-87-96-000	-	563,558
Prop 301 - Dropout Prevention	N/A	10-87-96-000	-	130,964
Instructional Improvement Funds	N/A	10-87-96-000	-	280,002
Student Success Funding	N/A	10-87-96-000	-	46,583
Proposition 123	N/A	10-87-96-000	-	183,243
Charter School - State Equalization	N/A	10-87-96-000	-	28,275,731
Total State of Arizona			<u>\$ -</u>	<u>\$ 35,553,617</u>
<u>Pima County</u>				
<i>Passed through Pima County Community Services:</i>				
Temporary Assistance for Needy Families (TANF); Eviction Prevention	N/A	CT-CS-15-0496	\$ 0	\$ 7,000
Summer Youth Activities	N/A	CT-CS-15-0439	-	32,449
Summer Youth Activities	N/A	CT-CS-16-287	-	38,070
Superior Court	N/A	BPSC1100050	-	5,571
Total Pima County			<u>\$ -</u>	<u>\$ 83,090</u>
<u>Cenpatico</u>				
Behavioral Health Services	N/A	N/A	\$ -	\$ 220,046
<u>Mental Health Care</u>				
Behavioral Health Services	N/A	27	-	84
<u>Federal Communications Commission</u>				
<i>Passed through the Universal Service Administrative Company:</i>				
Schools and Libraries Program	32.XXX	N/A	116,622	-
<u>City of San Luis</u>				
Training and Employment Programs	N/A	N/A	-	12,187
Total federal and other governmental expenditures			<u>\$ 7,528,350</u>	<u>\$ 35,911,380</u>

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2016

Note 1 - Basis of preparation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Portable Practical Educational Preparation, Inc. under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Portable Practical Educational Preparation, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Portable Practical Educational Preparation, Inc.

Note 2 – Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Classification of federal awards

For purposes of classifying federal awards as either Type A or Type B, the following CFDA numbers were considered to be a cluster: WIA/WIAO CLUSTER - CFDA Numbers 17.258, 17.259, and 17.278.

Note 4 - Other contracts

In the event that the grantor was either unable to or did not confirm the source of federal funds all amounts were assumed to be federal for purposes of the schedule of expenditures of federal awards.

Note 5 - Major programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

Note 6 – Reconciliation of schedule of expenditures of Federal awards to Statement of Activities

Total Federal expenditures - SEFA	\$	7,528,425
Total Non-Federal expenditures -SEFA		35,910,380
Plus: Arizona Department of Economic Security DDD vendor contracts		7,135,254
Total governmental financial assistance – Statement of Activities	\$	<u>50,574,984</u>

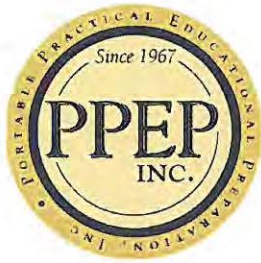
Note 7 – Indirect cost rate

Portable Practical Educational Preparation, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. Portable Practical Educational Preparation, Inc. used the federally negotiated indirect cost rate of 17.38%.

INFORMATION SUBMITTED BY AUDITEE

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended June 30, 2016

There were no prior year findings or questioned costs.



Portable Practical Educational Preparation, Inc.

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Tucson, Arizona 85713
(520) 622-3553

Toll Free: (800) 376-3553

Fax: (520) 622-1480

www.ppep.org

John David Arnold, Ph.D.
Chief Executive Officer & Founder

"Si Se Puede"

Gertha Brown
President

CORRECTIVE ACTION PLAN March 31, 2017

Portable Practical Educational Preparation, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2016:

U.S. Department of Labor

Addington & Associates
5431 N. Oracle Road, Suite 101
Tucson, AZ 85704

Audit Period: June 30, 2016

The findings from the June 30, 2016 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

MATERIAL WEAKNESS

2016-001 – Arizona Department of Economic Security – Vendor Contract PZ900000357 – Document Retention

Condition: The Organization was not able to produce the original Monthly Billing Binders containing documentation related to services provided to program participants for all months during the fiscal year ended June 30, 2016, except for the month of May 2016, and prior years. The binders contain copies of Attendance Sheets and Transportation Logs used for billing.

Criteria: The contract requires that the Organization retain all documentation related to the provision of services provided to program participants for which the Organization requested payment.

Cause: Not determinable by the auditor. See "Views of Responsible Officials and Planned Corrective Actions" below.

Effect: The reimbursement for services provided for which there is a lack of support could be disallowed by the funding source.

Recommendation: Procedures should be implemented to insure that all contract related documentation is retained in compliance with the contract requirements.

"Dedicated to Improving the Quality of Rural Economic Life in Arizona" – SINCE 1967

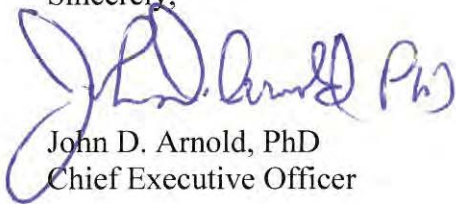
Action taken:

PPEP, Inc. (the Organization) underwent an integration of its behavioral health and IDD programs, requiring re-construction of its administrative offices and centralizing all billing services, including this contract. During this transition, certain documents and records were inadvertently misplaced. However, alternate forms of support are available and are being gathered to support the billing documentation. PPEP, Inc. is continuing to research the disposition of the misplaced monthly billing binders.

A new billing system has been developed where invoicing is now automated, in real time data. Documentation and support for invoicing is now kept electronically, in addition to hard copy versions. The electronic data is held in cloud storage to insure security of financial and confidential records. Access to billing and financial records is limited to further insure security and integrity of data.

In addition, retention procedures are in place and training has been provided to appropriate staff on retention requirements to comply with contractual obligations.

Sincerely,

A handwritten signature in blue ink that reads "John D. Arnold PhD". The signature is fluid and cursive, with the first name being the most prominent.

John D. Arnold, PhD
Chief Executive Officer

**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
INDEX TO AUDITED FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION, AND
A-133 SINGLE AUDIT REPORTS AND SCHEDULES
June 30, 2015**

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A-133 SINGLE AUDIT REPORTS AND SCHEDULES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Portable Practical Educational Preparation, Inc. (PPEP)
Tucson, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of Portable Practical Educational Preparation, Inc. (PPEP) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Portable Practical Educational Preparation, Inc. (PPEP) as of June 30, 2015, and the changes in its

net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

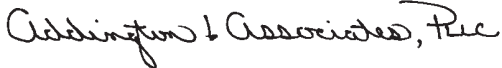
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Also, the accompanying Schedule of Charter School Revenues and Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2016 on our consideration of Portable Practical Educational Preparation, Inc. (PPEP)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Portable Practical Educational Preparation, Inc. (PPEP)'s internal control over financial reporting and compliance.

March 30, 2016


ADDINGTON ASSOCIATES, PLLC

Attachment 1
ODLS New School Application

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)

Ohio Digital Learning School

STATEMENT OF FINANCIAL POSITION

June 30, 2015

ASSETS

Current assets:

Cash and cash equivalents	\$	1,435,013
Restricted cash, current		3,338,079
Accounts and grants receivable		2,167,673
Amount due from management company		312,905
Note receivable, current portion		19,586
Prepays and deposits		196,325
Due from affiliate		170,509
Total current assets		7,640,090

Property and equipment:

Land	\$	1,815,709
Buildings and improvements		10,379,602
Software		617,346
Furniture and equipment		3,621,154
Vehicles		3,394,774
Work in process		12,101
		19,840,686
Accumulated depreciation and amortization		9,708,350
Total property and equipment, net		10,132,336

Other Assets:

Note receivable, noncurrent portion		375,250
Deposits		24,641
Investment - other		215,160
		<u>615,051</u>

Total assets \$ 18,387,477

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	721,100
Accrued expenses		1,050,837
Current portion of long-term debt		578,795
Line of credit		200,000
Unearned program income and advance payments on contracts		3,946,329
Total current liabilities		6,497,061

Long-term debt, net of current portion 4,576,352

Total liabilities 11,073,413

Net assets:

Unrestricted net assets		7,314,064
Total net assets		<u>7,314,064</u>

Total liabilities and net assets \$ 18,387,477

See Accompanying Notes.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)

STATEMENT OF ACTIVITIES

For the year ended June 30, 2015

Unrestricted net assets

Support and revenue:

Governmental financial assistance	\$ 50,456,386
Indirect cost revenue	24,406
Donations	56,798
Counseling fees	110,875
Rent	82,690
Interest	7,090
Management fees	32,887
PPEP California - Support services contract	114,000
Preschool tuition	36,435
Other	104,893
Gain on disposal of fixed assets	3,323
Total support and revenue	<u>51,029,783</u>

Expenses:

Program services:

Human and other services	982,705
Behavioral health services	952,331
Disabled adult services	6,365,338
Employment and training	2,866,987
Education	36,585,147
Preschool	109,557
Total program services	<u>47,862,065</u>
Management and general	2,999,198
Total expenses	<u>50,861,263</u>

Increase in unrestricted net assets 168,520

Unrestricted net assets, beginning of year 7,145,544

Unrestricted net assets, end of year \$ 7,314,064

See Accompanying Notes.

**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2015**

	Human and Other Services	Behavioral Health Services	Disabled Adult Services	Employment and Training	Education	Preschool	Total Program Services	Management and General	Total
Personnel	\$ 610,079	\$ 758,146	\$ 4,705,322	\$ 1,778,591	\$ 3,942,750	\$ 67,110	\$ 11,861,998	\$ 1,537,590	\$ 13,399,588
Occupancy	10,189	106,240	392,496	121,271	625,416	13,098	1,268,710	328,022	1,596,732
Telephone and communications	5,803	13,647	65,449	33,745	152,312	1,014	271,970	76,817	348,787
Travel and transportation	13,671	14,224	389,673	160,374	89,513	807	668,262	157,625	825,887
Office and program supplies	16,051	9,509	351,562	95,010	505,149	13,387	990,668	156,338	1,147,006
Contractual	3,302	32,517	59,652	134,503	30,983,838	2,587	31,216,399	385,374	31,601,773
Supportive services and training	320,283	3,982	10,927	500,350	23,943	-	859,485	64,632	924,117
Depreciation	2,899	11,398	299,177	42,109	193,237	-	548,820	134,094	682,914
Interest	428	2,668	90,980	1,034	68,989	11,554	175,653	157,506	333,159
Donations	-	-	100	-	-	-	100	1,200	1,300
	\$ 982,705	\$ 952,331	\$ 6,365,338	\$ 2,866,987	\$ 36,585,147	\$ 109,557	\$ 47,862,065	\$ 2,999,198	\$ 50,861,263

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)**STATEMENT OF CASH FLOWS****For the year ended June 30, 2015****Cash flows from operating activities:**

Increase in net assets		\$	168,520
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation	\$	682,914	
(Gain) on sale of fixed assets		(3,323)	
(Increase) decrease in operating assets:			
Accounts and grants receivable		17,638	
Amount due from management company		801,634	
Prepays and deposits		(76,995)	
Deposits, long-term		31,543	
Increase (decrease) in operating liabilities:			
Accounts payable		(61,682)	
Accrued expenses		(69,829)	
Unearned program income and advance payments on contracts		(168,402)	
Total adjustments			<u>1,153,498</u>
Net cash provided by operating activities			<u>1,322,018</u>

Cash flows from investing activities:

Payments for property and equipment	(415,764)	
Proceeds from sale of assets	3,323	
Net (increase) in restricted cash	(509,198)	
Net increase in amount due from affiliate	(30,634)	
Principal collection on note receivable	19,198	
Purchase of other investments	(215,160)	
Net cash (used) in investing activities		<u>(1,148,235)</u>

Cash flows from financing activities:

Principal payments on long-term debt	(492,627)	
Borrowing on line of credit	300,000	
Repayments of line of credit	(100,000)	
Net cash (used) in financing activities		<u>(292,627)</u>

Net increase (decrease) in cash and cash equivalents (118,844)

Cash and cash equivalents, beginning of year 1,553,857

Cash and cash equivalents, end of year \$ 1,435,013

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$	<u>339,085</u>
Taxes	\$	<u>0</u>

Noncash investing and financing activity

During the year ended June 30, 2015 fixed assets totaling \$602,113 were purchased by issuance of long-term debt.

See Accompanying Notes.

**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

1. Organization and goals and entity presented

Portable Practical Educational Preparation, Inc. (PPEP), PPEP Microbusiness and Housing Development Corporation (PMHDC), PPEP Senior Housing Services Corporation (PSHSC), PPEP First American Resources and Services, Inc. (PFARS), and the PPEP Foundation (Foundation) are nonprofit organizations incorporated in Arizona. The Agencies are governed by independent Boards of Directors; however, the Agencies' day-to-day operations are the responsibility of a common management team. In addition, the Agencies share common facilities, equipment and personnel.

Entity presented

The accompanying financial statements present only the accounts of PPEP (Agency) and do not include those for PMHDC, PSHSC, PFARS, or the Foundation.

Goals

The Agency's goals are to provide services to the rural poor of the State of Arizona through a network of community-based aides with supporting staff in Tucson. Services are provided in the following broad categories:

Human services

Improving the standard of rural living through emergency services, social work, outreach, education and advocacy.

Behavioral health services

Providing group, family, and individual counseling services.

Disabled adult services

Providing supervised homes, transportation, and day programs for the developmentally disabled.

Employment and training

Placing rural poor and farm workers into productive employment through outreach and referral.

Education

Providing public school education for kindergarten through the twelfth grade through the PPEC TEC High Schools and the Arizona Virtual Academy, which are Arizona charter schools, and a high school equivalency program.

Preschool

Providing educational services in the Somerton, San Luis, and Yuma regions for young children, ages 3 - 5 years old.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

2. Summary of significant accounting policies

Financial statement presentation

The Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash equivalents. Cash and cash equivalents that have been designated for long-term purposes or received with donor imposed restrictions limiting its use to long-term purposes is not considered cash and cash equivalents for purposes of the Statement of Financial Position and the Statement of Cash Flows.

Investment - other

The Organization records investments in partnerships, LLC or closely-held corporations, in which they have less than 20% ownership and do not have control at historical cost.

Property and equipment

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets. The Agency capitalizes all assets of \$2,500 or more with an estimated useful life greater than two years.

Revenue and receivables

The Agency is principally funded through various grants, cost reimbursement contracts, and performance based contracts with federal, state and local governmental entities and private foundations. Revenue is recognized as follows:

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

2. Summary of significant accounting policies - continued

Revenue and receivables - continued

- Grants - On a straight-line basis over the life of the grant or as costs are incurred.
- Cost reimbursement contracts - As costs are incurred under the contract.
- Performance based contracts - Revenue is recognized as performances of units of service are provided.

Amounts due the Agency for revenues earned, as described above, are classified as *Accounts and grants receivable*. No provision for uncollectible accounts and grants receivable has been provided as the amounts were substantially collected subsequent to year end or represent billings to governmental entities under contractual agreements.

Restricted and unrestricted revenue and support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Significantly all governmental cost reimbursement grant awards are classified as refundable advances until expended for the purposes of the grants since they are considered to be conditional promises to give.

Advertising

The Agency uses advertising to promote its programs among the population it serves and to recruit employees. The production costs of advertising are expensed as incurred. During the current year, advertising costs totaled \$56,616.

Indirect costs

All expenses which can be specifically identified by contract (direct expenses) are charged to the applicable contract. Indirect costs are charged to the contracts using a provisional indirect cost rate approved by the Department of Labor which is applied to wages and fringe benefits.

The indirect cost rate is subject to adjustment and possible refund of revenues to the various grantors if the actual rate is less than the provisional rates. Correspondingly, if the actual rate is higher than the provisional rate, the various grants may be charged with additional cost. At June 30, 2015, contracts had been adjusted for the actual indirect cost rate through the end of the year.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

2. Summary of significant accounting policies - continued

Expense allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes

PPEP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A). PPEP is classified as an organization that is not a private foundation under 509(a)(2). The agency is also exempt from Arizona state income taxes.

Management's opinion is that no uncertain income tax positions have been taken and no adjustments have been recorded for potential related tax liabilities. Any penalties or interest which may be charged on tax examinations would be deducted in the year the assessment was made. Tax returns are generally subject to audit by the federal government for three years from the filing date and four years from the filing date for Arizona.

3. Cash and cash equivalents

At June 30, 2015 certain cash and cash equivalents were restricted by grant agreements for specific program purposes.

The following is a summary of cash restricted for specific use at June 30, 2015:

State of Arizona-Classroom Site Funds and Instructional Improvement Funds	<u>\$ 3,338,079</u>
--	---------------------

4. Investment - other

Investment – other consists of the following at June 30, 2015:

Arizona Health Reciprocal Insurance Company	<u>\$ 215,160</u>
Total	<u><u>\$ 215,160</u></u>

PPEP invested in Arizona Health Reciprocal Insurance Company for the purpose of gaining access to health insurance for its employees from a captive insurance company. The investment represents approximately 7% of the capital of the captive insurance company and is stated at cost.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

5. Lines of credit

As of June 30, 2015, PPEP had an open line of credit with JP Morgan Chase Bank, maturing April 1, 2016. The maximum amount available is \$1,000,000 and bears interest at LIBOR plus 3% per annum. The line of credit is collateralized by real estate and business assets. \$200,000 was outstanding on the line of credit at June 30, 2015.

6. Long-term debt

Long-term debt at June 30, 2015 is summarized as follows:

Mortgage notes, payable in monthly installments totaling \$47,731, at June 30, 2015, including interest at 3.03% to 8.50%, maturing at various dates through October 2031. The notes are collateralized by real estate utilized by a program for the developmentally disabled (group homes), administration buildings, and charter schools.	\$4,212,987
Vehicle, and equipment notes payable, due in monthly installments totaling \$12,429, at June 30, 2015, interest at .90% to 7.14%, maturing at various dates through August 2019. Collateralized by vehicles and equipment purchased.	\$ 340,791
Notes payable to PMHDC, due in monthly installments totaling \$9,682, at June 30, 2015, interest at 3% to 8%, maturing at various dates through March 30, 2030. Collateralized as follows: first deed of trust for \$120,394; second deeds of trust for \$273,226; equipment purchased of \$155,692; the remaining \$52,057 is uncollateralized.	<u>601,369</u>
Total long-term debt	5,155,147
Less current portion	<u>578,795</u>
Non-current portion	<u>\$4,576,352</u>

The combined current maturities of long-term debt are as follows:

Year ended June 30, 2016	\$ 578,795
2017	569,828
2018	790,990
2019	380,859
2020	1,135,354
Thereafter	<u>1,699,321</u>
	<u>\$5,155,147</u>

7. Affiliated entities - transactions and balances

Due from affiliate

Due from affiliate represents the temporary loan of funds from PPEP to PMHDC of \$170,509. No interest is charged on the outstanding balance as the balance normally represents operational costs of

**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015**

7. Affiliated entities - transactions and balances - continued

PMHDC, which were paid by PPEP, that are to be repaid from PMHDC's accounts receivable collections on a short term basis.

Note receivable – affiliated entity

During 2012, PPEP negotiated a note receivable for \$449,777 from PMHDC for a portion of the outstanding advances made to PHMDC in prior years. Monthly payments of \$2,275, including principal and interest at 2% per annum, began on August 1, 2012. The loan is unsecured and matures July 1, 2032. At June 30, 2015, the outstanding balance of the note was \$394,836, of which \$19,586 is classified as current in the accompanying financial statements. Interest charged on the loan was \$8,105 for the year ended June 30, 2015.

Notes payable - PMHDC

As presented in Note 5, PPEP has borrowed funds totaling \$601,369 from PMHDC's Micro Loan programs for real estate purchases and equipment.

Revenue and expense

During the year ended June 30, 2015 PPEP charged PMHDC \$24,406 for its portion of indirect costs. PMHDC charged PPEP \$32,759 for interest on the interagency loans and \$60,000 for rent for the year ended June 30, 2015.

Management fees

PPEP receives HUD approved property management fees from PMHDC and PSHSC which totaled \$32,887 for the year ended June 30, 2015. The property management agreements are subject to periodic renewal and approval by HUD.

8. Lease commitments

The Agency leases various office and program facilities and equipment under both cancelable and non-cancelable operating leases. A number of the real estate leases contain a loss of funding clause which allows the Agency to terminate the leases on a 30 to 90 day written notice. The following is a schedule by years of future rental payments due under non-cancelable leases considering termination clauses:

Year ended June 30,		<u>Program facilities</u>	<u>Equipment</u>
	2016	\$ 146,298	\$ 3,126
	2017	11,565	3,126
	2018		3,126
	2019		2,344

**PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

8. Lease commitments - continued

In addition, the Agency leases office space on a month-to-month basis. The total program facilities rent expense was \$505,397 and \$30,442 for equipment rent for the year ended June 30, 2015.

9. Pension plan

The Agencies have a defined contribution pension plan which covers full-time and part-time employees who work greater than 1,000 hours during the plan year and are employed by the Agencies on the last day of the plan year. The Plan provides that the Agencies will make a contribution for each eligible employee up to 5% of direct chargeable salaries at the Agencies' discretion. Employees are 100% vested in the Plan after six years of service. On January 1, 2001 the Plan was amended to include a 401(k) provision to allow employees to make tax-deferred contributions to the Plan. Employees hired after December 31, 2000 are subject to the eligibility requirements of the amended Plan. Under the amended Plan, employees must be 21 years of age and must have completed 1,000 hours of service during the Plan year. The employer's contribution to this part of the Plan is also discretionary. The Agencies did not contribute to the 401(k) part of Plan during the year ended June 30, 2015.

10. Contingencies and commitments

Equipment

Title to equipment owned is in the name of the Agency and the equipment is used in the Agency's operations. A portion of the funding to purchase the equipment was obtained from various governmental organizations; the Agencies may be required to turn over the equipment to the governmental organizations upon termination of certain programs.

Federal and state awards

The Agency participates in a number of Federal and State assisted grant and contract programs, and a significant reduction in the level of this support, if it were to occur, would have a material effect on its programs and activities. The governmental funding is also subject to compliance audits. Assessments from such audits, if any, are recorded when the amounts of such assessments are reasonably determinable.

K-12, Inc. contract and amount due from management company

PPEP is the charter holder for the Arizona Virtual Academy (Academy), an Arizona charter school, and contracts with K-12, Inc. to operate the Academy. The total net amount paid to K-12, Inc., under the terms of the contract was \$30,690,143 for the year ended June 30, 2015. In addition, K-12, Inc. receives payments on certain grants directly on behalf of PPEP. At June 30, 2015, amounts received on behalf of PPEP and held by K-12, Inc., totaled \$312,905 from advance funding received from the State of Arizona. The balance is reflected in the accompanying financial statements as Amount Due From Management Company and the offsetting balance is included in Deferred Revenue at June 30, 2015.

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

10. Contingencies and commitments - continued

Litigation

PPEP is subject to legal proceedings and claims which arise in the ordinary course of business, and which are being defended under its general liability insurance policy. In the opinion of management, it is unlikely that PPEP will incur any material losses in excess of the limits of the liability insurance policy.

11. Concentrations of credit risk

Cash balances

The Agency maintains its cash balances at several financial institutions located in Southern Arizona. Accounts at each of the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Management monitors the financial condition of the banking institutions, along with their balances in cash and cash equivalents and attempts to limit this potential risk. The following is a summary of uninsured balances maintained by the Agency at June 30, 2015:

- JP Morgan Chase Bank \$ 4,655,797

12. PPEP California revenues

Support services contract

Portable Practical Educational Preparation, Inc. and PPEP-California (now known as the Olin Virtual Academy) entered into a Support Services Agreement effective July 1, 2013 to provide accounting, payroll, human resources, and teacher support services to PPEP CA/Olin. Under the terms of the contract, PPEP CA/Olin paid PPEP Inc. \$9,500 per month. The Support Services Agreement was terminated on December 31, 2014 based upon a mutual agreement. As part of the termination agreement, PPEP received an additional \$114,000 which is being recognized \$9,500 per month over a twelve month period. The total amount recognized as revenue was \$114,000 for the year ended June 30, 2015.

13. Subsequent events

PPEP has evaluated subsequent events through March 30, 2016, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

SCHEDULE OF CHARTER SCHOOL REVENUES AND EXPENSES

For the year ended June 30, 2015

	PPEP Tech High School	Arizona Virtual Academy	Total
Revenues:			
<i>Arizona Department of Education:</i>			
Equalization Assistance Payments	\$ 5,194,244	\$ 28,252,310	\$ 33,446,554
Classroom Site Fund- Proposition 301	338,131	959,808	1,297,939
Instructional Improvement Fund	5,976	264,814	270,790
Student Success Funding		20,427	20,427
 <i>U.S. Department of Agriculture:</i>			
School Breakfast and Lunch Program	217,704	-	217,704
 <i>U.S. Department of Education:</i>			
Title I - Grants to Local Education Agencies	314,462	1,137,795	1,452,257
Migrant Education - Basic State Grant	220,271	-	220,271
Title III LEP Program	26,699	-	26,699
Title II - Improving Teacher Quality	26,656	18,052	44,708
IDEA Gant	138,255	989,169	1,127,424
Race To the Top	-	4,479	4,479
 <i>Other:</i>			
Erate revenue	124,809	-	124,809
Miscellaneous	2,374	-	2,374
Donations	161	-	161
Total revenues	6,609,742	31,646,854	38,256,596
 Expenses:			
Personnel	3,942,750	-	3,942,750
Occupancy	625,416	-	625,416
Telephone and communications	152,312	-	152,312
Travel and transportation	89,513	-	89,513
Office and program supplies	505,149	-	505,149
Contractual and K12 contract	293,695	30,690,143	30,983,838
Interest	68,989	-	68,989
Supportive Services	23,943	-	23,943
Indirect cost	676,960	-	676,960
Depreciation	191,773	1,464	193,237
Total expenses	6,570,500	30,691,607	37,262,107
 Excess of revenues over expenses	\$ 39,242	\$ 955,247	\$ 994,489

Note: Interagency revenues and expenses are included in the above schedule.

A-133 SINGLE AUDIT REPORTS AND SCHEDULES



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
 Portable Practical Education Preparation, Inc.
 Tucson, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Portable Practical Education Preparation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Portable Practical Education Preparation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Portable Practical Education Preparation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Portable Practical Education Preparation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 30, 2016

Addington & Associates, PLLC
ADDINGTON ASSOCIATES, PLLC



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
Portable Practical Education Preparation, Inc.
Tucson, Arizona

Report on Compliance for Each Major Federal Program

We have audited Portable Practical Education Preparation, Inc.’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Portable Practical Education Preparation, Inc.’s major federal programs for the year ended June 30, 2015. Portable Practical Education Preparation, Inc.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Portable Practical Education Preparation, Inc.’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Portable Practical Education Preparation, Inc.’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Portable Practical Education Preparation, Inc.’s compliance.

Opinion on Each Major Federal Program

In our opinion, Portable Practical Education Preparation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Portable Practical Education Preparation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Portable Practical Education Preparation, Inc.’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Portable Practical Education Preparation, Inc.’s internal control over compliance.

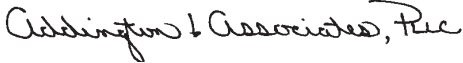
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such

that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

March 30, 2016


ADDINGTON ASSOCIATES, PLLC

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____yes X no

Noncompliance material to financial statements noted? _____yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____yes X no

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.263	Rural Innovative Fund Program
17.264	National Farmworker Jobs Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes _____no

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2015

FINDINGS - FINANCIAL STATEMENT AUDIT

This section identifies the significant deficiencies, material weaknesses, and instances of fraud, illegal acts, violations of provision of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards require reporting in a Circular A-133 audit.

There were no findings noted in the current year.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including question costs, as well as any abuse findings involving federal awards that are material to a major program as required in accordance with Section 501(a) of OMB Circular A-133.

No material findings were noted related to the major federal awards programs in the current year.

Attachment 1
 PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP) Ohio Digital Learning School
 ODLS New School Application
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2015

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA number	Pass-through Grantor s Number	Expenditures	
			Federal	Other
<u>U.S. Department of Health and Human Services</u>				
<i>Passed through Arizona Department of Economic Security:</i>				
Community Services Block Grant	93.569	CT-CS-14-0477	\$ 8,464	\$ 736
Temporary Assistance for Needy Families (SSBG)	93.558	CT-CS-14-0477	8,278	720
Temporary Assistance for Needy Families (TANF): Eviction Prevention	93.558	CT-CS-14-0477	4,600	400
Temporary Assistance for Needy Families (TANF)	93.558	CT-CS-14-0477	36,966	3,214
Community Services Block Grant	93.569	DE111065-001	98,928	-
Temporary Assistance for Needy Families (TANF)	93.558	DE111065-001	55,344	-
Temporary Assistance for Needy Families (TANF)	93.558	DES080058-34	7,935	4,251
Social Services Block Grant	93.667	DES080058-34	16,153	-
Social Services Block Grant - Domestic Violence Counseling	93.667	ADCS14-074819	54,867	-
Child Care Mandatory and Matching Funds	93.596	P0028080801	6,557	-
Social Services Block Grant	93.667	P0028080801	8	-
<i>Passed through Community Partnership of Southern Arizona:</i>				
Medical Assistance Program - Title XIX	93.778	S0504	207,973	103,166
<i>Passed through Pima County Community Services:</i>				
Workforce Investment Act - HPOG	93.093	CT-CS-14-0441	40,617	-
<i>Passed through Pantano Behavioral Health Services:</i>				
Medical Assistance Program	93.778	PPEP.1011 Amend #4	12,296	9,421
Children's Health Insurance Program	93.767	PPEP.1011 Amend #4	13,799	-
Community Mental Health Services (CMHS) Block Grant	93.958	PPEP.1011 Amend #4	17,758	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	PPEP.1011 Amend #4	17,758	-
<i>Passed through Terros Family First:</i>				
Arizona Families First	93.778	ADCS14-074862	198,513	-
<i>Passed through CODAC:</i>				
Centers for Medicare and Medicaid Services (CMS) Research	93.778	000033	28,201	-
<i>Passed through La Frontera:</i>				
Centers for Medicare and Medicaid Services (CMS) Research	93.778	234	74,621	34,379
Total U.S. Department of Health and Human Services			\$ 909,636	\$ 156,287
<u>U.S. Department of Labor</u>				
<i>Direct programs:</i>				
Workforce Investment Act - National Farmworker Jobs Program	17.264	AC-24024-13-55-A-4	\$ 1,830,519	\$ -
Youthbuild	17.274	YB-24703-13-60-A-4	360,467	-
<i>Passed through Pima County Community Services:</i>				
Workforce Investment Act - Adult Program	17.258	CT-CS-14-0441	311,399	-
Workforce Investment Act - Youth Program	17.259	CT-CS-14-0441	54,156	-
Workforce Investment Act - Dislocated Workers	17.278	CT-CS-14-0441	36,104	-
Veteran's Employment Program	17.802	CT-CS-14-0441	9,026	-
Workforce Investment Act - Youth Program	17.259	CT-CS-15-0228	8,841	84,220
Workforce Investment Act - Youth Program	17.259	CT-CS-15-0465	757	-
Workforce Investment Act - Youth Program	17.258	CT-CS-14-0360	387	-
Workforce Investment Act - Youth Program	17.259	CT-CS-14-0360	586	-
Workforce Investment Act - Youth Program	17.278	CT-CS-14-0360	133	-
Workforce Investment Act - Mature Workers	17.235	CT-CS-15-0009	78,214	31,946
<i>Passed through Yuma Private Industry Council:</i>				
Workforce Investment Act - Adult and Dislocated Workers	17.278	PPEP/DW 2014-2015	69,697	-

Attachment 1
 PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP) Ohio Digital Learning School
 ODL's New School Application
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2015

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA number	Pass-through Grantor s Number	Expenditures	
			Federal	Other
Total Department of Labor			\$ 2,760,286	\$ 116,166
<u>U.S. Department of Agriculture</u>				
<i>Passed through Arizona Department of Education:</i>				
National School Lunch Program	10.555	10-87-44-000	\$ 217,704	\$ -
Total U.S. Department of Agriculture			\$ 217,704	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
Direct programs:				
Rural Innovation Fund Program	14.263	RU-11-AZ-C-0048	\$ 375,302	\$ -
<i>Passed through Pima County Community Services:</i>				
HYNP - Help Your Neighbor Program	14.218	CT-CD-15*0181	24,960	-
Total U.S. Department of Housing and Urban Development			\$ 400,262	\$ -
<u>Corporation for National Community Service</u>				
<i>Passed through Youthbuild USA:</i>				
YouthBuild Americorps	94.006	13NDHMA0010051	\$ 84,251	\$ 4,833
Total Corporation for National Community Service			\$ 84,251	\$ 4,833
<u>U.S. Department of Education</u>				
Direct programs:				
Migrant Education - High School Equivalency Program	84.141	S141A100013	\$ 494,594	\$ -
<i>Passed through Arizona Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010	10-87-44-000	314,462	-
Migrant Education - Basic State Grant Program	84.011	10-87-44-000	220,271	-
IDEA Grant	84.027	10-87-44-000	138,255	-
Title III Immigrant Education	84.365	10-87-44-000	26,699	-
Improving Teacher Quality	84.367	10-87-44-000	26,656	-
Title I Grants to Local Educational Agencies	84.010	10-87-96-000	1,137,795	-
IDEA Basic Education	84.027	10-87-96-000	989,169	-
Race to the Top	84.413	10-87-96-000	4,479	-
Improving Teacher Quality	84.367	10-87-96-000	18,052	-
Total U.S. Department of Education			\$ 3,370,432	\$ -

Attachment 1
 PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP) Ohio Digital Learning School
 ODLS New School Application
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2015

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA number	Pass-through Grantor s Number	Expenditures	
			Federal	Other
<u>U.S. Department of Transportation</u>				
<i>Passed through Arizona Department of Transportation:</i>				
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	JPA 12-084	\$ 88,129	\$ 9,792
Total U.S. Department of Transportation			<u>\$ 88,129</u>	<u>\$ 9,792</u>
<u>Other Financial Assistance</u>				
<u>State of Arizona</u>				
<i>Passed through Arizona Department of Education:</i>				
Charter School - State Equalization	N/A	10-87-44-000	\$ -	\$ 5,194,244
Prop 301 - Classroom Site Fund	N/A	10-87-44-000	-	338,131
Instructional Improvement Funds	N/A	10-87-44-000	-	5,976
Prop 301 - Classroom Site Fund	N/A	10-87-96-000	-	959,808
Instructional Improvement Funds	N/A	10-87-96-000	-	264,814
Student Success Funding	N/A	10-87-96-000	-	20,427
Charter School - State Equalization	N/A	10-87-96-000	-	28,252,312
Total State of Arizona			<u>\$ -</u>	<u>\$ 35,035,712</u>
<u>Pima County</u>				
<i>Passed through Pima County Community Services:</i>				
Summer Youth Activities	N/A	CT-CS-15-0439	-	83,266
Summer Youth Activities	N/A	CT-CS-14-0411	-	50,197
Superior Court	N/A	BPSC1100050	-	10,720
Total Pima County			<u>\$ -</u>	<u>\$ 144,183</u>
<u>Federal Communications Commission</u>				
<i>Passed through the Universal Service Administrative Company:</i>				
Schools and Libraries Program	32.XXX	N/A	\$ 124,809	\$ -
<u>City of San Luis</u>				
Training and Employment Programs	N/A	N/A	\$ -	\$ 32,243
Total federal and other governmental expenditures			<u>\$ 7,955,509</u>	<u>\$ 35,499,216</u>

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2015

Note 1 - Basis of preparation

The accompanying Schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance and federal cost-reimbursement contracts of Portable Practical Educational Preparation, Inc. (PPEP). PPEP receives federal awards both directly from federal agencies and indirectly through pass-through entities.

Note 2 – Summary of significant accounting policies

Federal program expenditures included in the accompanying schedule are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 3 – Classification of federal awards

For purposes of classifying federal awards as either Type A or Type B, the following CFDA numbers were considered to be a cluster: CFDA Numbers 17.258, 17.259, and 17.278; CFDA Numbers 84.010 and 84.389; CFDA Numbers 84.027 and 84.173.

Note 4 - Other contracts

In the event that the grantor was either unable to or did not confirm the source of federal funds all amounts were assumed to be federal for purposes of the schedule of expenditures of federal awards.

Note 5 - Major programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

Note 6 – Reconciliation of schedule of expenditures of Federal awards to Statement of Activities

Total Federal expenditures - SEFA	\$	7,955,509
Total Non-Federal expenditures -SEFA		35,499,216
Plus: Arizona Department of Economic Security DDD vendor contracts		7,001,661
Total governmental financial assistance – Statement of Activities	\$	<u>50,456,386</u>

INFORMATION SUBMITTED BY AUDITEE

PORTABLE PRACTICAL EDUCATIONAL PREPARATION, INC. (PPEP)
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended June 30, 2015

There were no prior year findings or questioned costs.

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY, OHIO**

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2017**

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Directors
Buckeye Urban Education Solutions DBA Insight School of Ohio
1690 Woodland Dr., Suite 200
Maumee, Ohio 43537

We have reviewed the *Independent Auditor's Report* of the Buckeye Urban Education Solutions DBA Insight School of Ohio, Franklin County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2016 through June 30, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Buckeye Urban Education Solutions DBA Insight School of Ohio is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 26, 2018

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**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
Buckeye Urban Education Solutions dba Insight
School of Ohio
Columbus, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Buckeye Urban Education Solutions dba Insight School of Ohio, Franklin County, Ohio, (the School) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Buckeye Urban Education Solutions dba Insight School of Ohio as of June 30, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2017, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



James G. Zupka, CPA, Inc.
Certified Public Accountants

December 11, 2017

The discussion and analysis of Buckeye Urban Education Solutions dba Insight School of Ohio's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" issued June, 1999.

Financial Highlights

Key financial highlights for 2017 are as follows:

- Total net position was (\$3,448,329) as of June 30, 2017, which is a \$1,297,252 decrease from net position of (\$2,151,077) at June 30, 2016.
- Due to an increase in enrollment and the per-pupil rates for both basic and special education funding, total revenue increased from \$9,294,501 in fiscal year 2016 to \$9,578,616 in fiscal year 2017.
- Due to the enrollment increase and due to an increase in the net pension liability, total program expenses increased from \$9,918,739 in fiscal year 2016 to \$10,875,868 in fiscal year 2017.
- The School does not have any long term debt.

During 2015, the School adopted GASB Statement 68, "*Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,*" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the School's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since it received the benefit of the exchange. However, the School is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School’s statements prepared on the accrual basis of accounting include an annual pension expense for its proportionate share of each plan’s *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the School is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Using this Financial Report

This report consists of three parts: the MD&A, the basic financial statements, and notes to those statements. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

Reporting the School as a Whole

One of the most important questions asked about the School is, “As a whole, what is the School’s financial condition as a result of the year’s activities?” The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, which appear first in the School’s financial statements, report information on the School as a whole and its activities in a way that helps answer this question. These statements are prepared to include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the School's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, as reported in the Statement of Net Position – as one way to measure the School's financial health or financial position. Over time, increases or decreases in the School's net position – as reported in the Statement of Net Position – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School's operating results. However, the School's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the School, to assess the overall health of the School.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the activities for the School, which encompass all the School's services, including instruction, support services and community services. Unrestricted state aid and state and Federal grants finance most of these activities.

The table below provides a summary of the School's net position for fiscal year 2017 and fiscal year 2016:

	<u>2017</u>	<u>2016</u>
Assets:		
Cash and Other Current Assets	\$984,641	\$1,180,271
Capital Assets, Net	<u>12,045</u>	<u>6,780</u>
<i>Total Assets</i>	\$996,686	\$1,187,051
Deferred Outflows of Resources:		
Pension	<u>4,960,808</u>	<u>3,519,891</u>
<i>Total Deferred Outflows of Resources</i>	4,960,808	3,519,891
Liabilities:		
Current Liabilities	996,686	1,187,051
Long-term Liabilities	<u>8,409,137</u>	<u>5,325,585</u>
<i>Total Liabilities</i>	9,405,823	6,512,636
Deferred Inflows of Resources:		
Pension	<u>0</u>	<u>345,383</u>
<i>Total Deferred Inflows of Resources</i>	0	345,383
Net Position:		
Invested in Capital Assets	12,045	6,780
Unrestricted	<u>(3,460,374)</u>	<u>(2,157,857)</u>
<i>Total Net Position</i>	<u><u>(\$3,448,329)</u></u>	<u><u>(\$2,151,077)</u></u>

Cash and other current assets decreased by \$195,630 in 2017. This is related to a decrease in receivables due to the timing of Federal grant reimbursements and due to there being no funding adjustment receivable for fiscal year 2017 as there was for fiscal year 2016. In addition, current liabilities decreased by \$190,365 in 2017. This is due to a decrease in accounts payable and accrued wages and benefits, offset by an increase in intergovernmental payable due to a negative funding adjustment after year-end.

The table below shows the changes in net position for fiscal year 2017 and fiscal year 2016, as well as a listing of revenues and expenses:

	2017	2016
Operating Revenue		
Foundation	\$7,271,454	\$7,070,448
Special Education	1,621,445	1,560,764
Total Operating Revenue	8,892,899	8,631,212
Non-Operating Revenue		
Grants and Program Initiatives	685,717	663,289
<i>Total Revenue</i>	9,578,616	9,294,501
Operating Expenses		
Salaries	2,865,128	2,453,048
Fringe Benefits	2,070,788	1,263,710
Purchased Services	5,286,402	5,799,297
Materials and Supplies	606,858	360,912
Depreciation	2,305	521
Other Operating Expenses	44,387	41,251
<i>Total Expenses</i>	10,875,868	9,918,739
<i>Total Change in Net Position</i>	\$(1,297,252)	\$ (624,238)

The revenue for a community school is almost entirely dependent on the per-pupil allotment given by the State foundation and from Federal entitlement programs.

For the School, the total revenue increased 3% and total expenses increased 10% from fiscal year 2016 to 2017. The increase in revenues is due to an increase in students and an increase in the per-pupil rates for foundation and special education funding. The increase in expenses also relates to the enrollment increase, as well as an increase in pension expense due to an increase in the net pension liability of both the State Teachers Retirement System and School Employees Retirement System as required by GASB 68.

The School's most significant expense is purchased services, which represents 49% of total expenses. The total comprises primarily of fees paid to K12 Inc. for curriculum, student computers, management fees and technology fees. The agreement between the School and K12 provides for the School to remit a specific percentage of certain revenues received to K12 for management and technology services. See Note 14 of the financial statements for details of the agreement.

Capital Assets

At the end of fiscal year 2017, the School had \$12,045 net of depreciation invested in furniture and equipment.

Current Financial Related Activities

The School's financial outlook over the next several years shows continued growth as enrollment is projected to increase. The management team and Board of Directors intend to continue their good stewardship of public funds by keeping appropriate levels of working capital and net position.

Contacting the School's Financial Management

This financial report is designed to provide all stakeholders with a general overview of the School's finances. Questions concerning any of the information in this report or requests for additional information should be directed to Kate Diu, School Treasurer, Insight School of Ohio, 2760 Airport Drive, Suite 125, Columbus, OH 43219.

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

STATEMENT OF NET POSITION
JUNE 30, 2017

Assets

Current Assets

Cash and Cash Equivalents	\$508,137
Prepaid Assets	48,357
Accounts Receivable	204,321
Intergovernmental Receivable	223,826
	<hr/>

Total Current Assets 984,641

Non-Current Assets

Capital Assets:

Depreciable Capital Assets, Net	12,045
	<hr/>

Total Assets 996,686

Deferred Outflows of Resources

Pension 4,960,808

Liabilities

Current Liabilities

Accounts Payable	28,746
Accrued Wages and Benefits	217,900
Intergovernmental Payable	750,040
	<hr/>

Total Current Liabilities 996,686

Long-Term Liabilities

Net Pension Liability	8,409,137
	<hr/>

Total Liabilities 9,405,823

Net Position

Invested in Capital Assets	12,045
Unrestricted	(3,460,374)
	<hr/>

Total Net Position (\$3,448,329)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE URBAN EDUCATION SOLUTIONS
 DBA INSIGHT SCHOOL OF OHIO
 FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Operating Revenues	
Foundation Payments	\$7,271,454
Special Education	<u>1,621,445</u>
<i>Total Operating Revenues</i>	8,892,899
Operating Expenses	
Salaries	2,865,128
Fringe Benefits	2,070,788
Purchased Services	5,286,402
Materials and Supplies	606,858
Depreciation	2,305
Other	<u>44,387</u>
<i>Total Operating Expenses</i>	<u>10,875,868</u>
<i>Operating Loss</i>	(1,982,969)
Non-Operating Revenues	
Grants Received – Federal	616,059
Grants Received – State & Local	<u>69,658</u>
<i>Total Non-Operating Revenues</i>	<u>685,717</u>
<i>Change in Net Position</i>	(1,297,252)
<i>Net Position Beginning of Year</i>	<u>(2,151,077)</u>
<i>Net Position End of Year</i>	<u><u>(\$3,448,329)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE URBAN EDUCATION SOLUTIONS
 DBA INSIGHT SCHOOL OF OHIO
 FRANKLIN COUNTY**

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Decrease in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Special Education	\$1,779,863
Cash Received from Foundation Payments	7,957,956
Cash Payments to Suppliers for Goods and Services	(6,966,824)
Cash Payments to Employees for Services	(2,777,607)
Cash Payments for Employee Benefits	(826,641)
Cash Payments to Others	<u>(54,344)</u>

Net Cash Used in Operating Activities (887,597)

Cash Flows from Noncapital Financing Activities

Grants Received – Federal	748,768
Grants Received – State & Local	<u>71,658</u>

Net Cash Provided by Noncapital Financing Activities 820,426

Cash Flows from Capital and Related Financing Activities

Payments for Capital Acquisitions	<u>(7,570)</u>
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Net Decrease in Cash and Cash Equivalents (74,741)

Cash and Cash Equivalents at Beginning of Year 582,878

Cash and Cash Equivalents at End of Year \$508,137

(Continued)

**BUCKEYE URBAN EDUCATION SOLUTIONS
 DBA INSIGHT SCHOOL OF OHIO
 FRANKLIN COUNTY**

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Continued)

**Reconciliation of Operating Loss to Net
 Cash Used in Operating Activities**

Operating Loss	(\$1,982,969)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation	2,305
Changes in Assets and Liabilities	
(Increase) in Accounts Receivable	(74,905)
Decrease in Intergovernmental Receivable	98,223
(Increase) in Prepaid Items	(35,138)
(Increase) in Deferred Outflows	(1,440,917)
(Decrease) in Accounts Payable	(801,433)
(Decrease) in Accrued Wages and Benefits	(105,846)
Increase in Intergovernmental Payable	714,914
Increase in Net Pension Liability	3,083,552
(Decrease) in Deferred Inflows	(345,383)
	<hr/>
<i>Total Adjustments</i>	1,095,372
	<hr/>
<i>Net Cash Used in Operating Activities</i>	<u><u>(\$887,597)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Insight School of Ohio (the School) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School offers home-based public education for Ohio children in grades 6-12. Parents, community leaders, and educators are working with the School to help provide an excellent education option. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The School may acquire facilities as needed and contract for any services necessary for the operation of the School.

The School was approved for operation under a contract with Buckeye Community Hope Foundation (the Sponsor) for a period of two academic years commencing on July 1, 2013. The contract has been renewed for three additional years commencing July 1, 2015. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration (see Note 16).

The School operates under the direction of a five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract that include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

The School contracts with K12 Inc. for a variety of services including management of personnel and human resources, the program of instruction, technology, marketing, data management, purchasing, strategic planning, public relations, financial reporting, recruiting, compliance issues, budgets, contracts, and equipment for teachers and students (see Notes 14 and 15). K12 Inc. employs the School's instructional/support staff of 7 administrative and 63 certificated teaching and other personnel who provide services to approximately 1,656 students.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below:

A. Basis of Presentation

The School's basic financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

B. Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities and deferred inflows are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, except under Ohio Revised Code Section 5705.391, the School must prepare a five year spending plan and submit it to the Ohio Superintendent of Public Instruction. In addition, the Sponsor does prescribe an annual budget requirement which is to be updated on an annual basis.

D. Cash and Cash Equivalents

All monies received by the School are maintained in a demand deposit account.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the dates received. The School maintains a capitalization threshold of over \$1,000 for all assets, except leased assets. Leased assets with a purchase price of \$5,000 or less will not be capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Depreciation of capital assets is computed using the straight-line method and the School utilizes the useful lives established by the IRS.

F. Intergovernmental Revenues

The School currently participates in the State Foundation Program and the Special Education Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. For the fiscal year ended June 30, 2017 State Foundation Program revenue was \$7,271,454 and revenue from the Special Education Program was \$1,621,445.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met and they are earned and measurable.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Grants awarded in 2017 included the following: Title I: \$309,075, Title II-A: \$47,770 and IDEA-B: \$259,214.

Amounts awarded under the above named programs for the 2017 fiscal year totaled \$9,508,959.

G. Accrued Liabilities Payable

The School has recognized certain liabilities on its Statement of Net Position relating to expenses which are due but unpaid as of June 30, 2017 including: accounts and intergovernmental payables and accrued wages and benefits.

H. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The School had no debt as of June 30, 2017. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School had no restricted net position at June 30, 2017.

The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the School, deferred outflows of resources have been reported for the following items related to

the School's net pension liability: (1) the difference between expected and actual experience of the pension systems, (2) the School's contributions to the pension systems subsequent to the measurement date, (3) the change in the School's proportionate share of the net pension liability, (4) changes of assumptions and (5) the net difference between projected and actual earnings on pension plan investments related to the School's net pension liability. The deferred outflows of resources related to pension are explained in Note 8.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School, there are no deferred inflows of resources for fiscal year 2017.

L. Prepaid Items

Payments made to vendors for services that will benefit fiscal years beyond June 30, 2017 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the fiscal year ended in which services are consumed.

3. DEPOSITS

At June 30, 2017, the carrying amount of the School's deposits totaled \$508,137 and its bank balance was \$583,679. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure", as of June 30, 2017, \$333,679 of the bank balance was exposed to custodial credit risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the School will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School.

4. RECEIVABLES

Receivables at June 30, 2017 consisted of Federal grant revenues receivable, which are considered collectible in full due to the stable condition of Federal programs, as well as accounts receivable. Receivables are listed as follows:

Program/Vendor	Amount
Title I	\$104,938
Title II-A	16,219
IDEA	78,882
State Foundation	23,787
<i>Total Intergovernmental Receivables</i>	<i>223,826</i>
Accounts Receivable	204,321
<i>Total Receivables</i>	<i>\$428,147</i>

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 is as follows:

	Balance 06/30/16	Additions	Deletions	Balance 06/30/17
Furniture, Fixtures & Equipment	\$7,301	\$7,570	\$0	\$14,871
Less: Accumulated Depreciation	(521)	(2,305)	0	(2,826)
Capital Assets, Net	<u>\$6,780</u>	<u>\$5,265</u>	<u>\$0</u>	<u>\$12,045</u>

6. INSTRUCTION

Approximately 94 percent of operating expenditures are used to provide direct instruction to students. Costs by various categories are as follows:

Service Type	Total
Teacher Salaries, Benefits & Expenses	\$4,492,527
Web Based Software - Curriculum	2,257,339
Student Computers, Internet & Technology	1,581,903
Pupil Support Salaries, Benefits & Expenses	973,043
Instructional Materials	574,851
Special Education Services	360,926
<i>Total</i>	<u>\$10,240,589</u>

7. RISK MANAGEMENT

A. Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the fiscal year ended June 30, 2017, the School obtained insurance through broker Arthur J. Gallagher & Co. with the following insurance coverage:

Commercial General Liability per Occurrence	\$1,000,000
Commercial General Liability Aggregate	\$3,000,000

There has been no reduction in coverage from prior year and settled claims have not exceeded the School's coverage in any of the past three years.

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

8. DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions - between an employer and its employee - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions are financed; however, the School does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on the accrual basis of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description

The School's non-teaching employees participate in SERS, a cost-sharing, multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or Before August 1, 2017*	Eligible to Retire on or After August 1, 2017
Full Benefits	Age 65 with 5 years of service credit or any age with 30 years of service credit	Age 67 with 10 years of service credit or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit or Age 60 with 25 years of service credit

*Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated as the greater of \$86 multiplied by the years of service or the final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy

Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund and Health Care Fund). For the fiscal year ending June 30, 2017, the allocation to pension, death benefits and Medicare B was 14 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund. The School's contractually required contributions to SERS were \$130,658 for fiscal year 2017.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

The School's licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing, multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the

calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013 or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013 must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy

Employer and member contribution rates are established by the State Teachers Retirement Board and are limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and increased one percent each year until it reached 14 percent on July 1, 2016. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The School was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School's contractually required contribution to STRS was \$341,713 for fiscal year 2017. Of this amount \$7,021 was reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.017002%	0.015759%	
Proportion of the Net Pension Liability Current Measurement Date	0.023768%	0.019925%	
Change in Proportionate Share	0.006766%	0.004166%	
Proportionate Share of the Net Pension Liability	\$1,739,605	\$6,669,532	\$8,409,137
Pension Expense	\$ 432,015	\$1,337,608	\$1,769,623

At June 30, 2017, the School reported deferred outflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$23,463	\$269,482	\$292,945
Change in proportionate share	597,267	2,784,855	3,382,122
Change in assumptions	116,128	0	116,128
Net difference between projected and actual earnings on pension plan investments	143,492	553,750	697,242
School contributions subsequent to the measurement date	130,658	341,713	472,371
Total Deferred Outflows of Resources	<u>\$1,011,008</u>	<u>\$3,949,800</u>	<u>\$4,960,808</u>

\$472,371 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2018	(\$322,005)	(\$979,856)	(\$1,301,861)
2019	(321,902)	(979,856)	(1,301,758)
2020	(195,195)	(1,192,345)	(1,387,540)
2021	(41,248)	(456,030)	(497,278)
Total	<u>(\$880,350)</u>	<u>(\$3,608,087)</u>	<u>(\$4,488,437)</u>

Actuarial Assumptions – SERS

SERS’ total pension liability was determined by its actuaries in accordance with GASB Statement No. 67, as part of its annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	3.00 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year set-back for both males and females. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2015.

The long-term return expectation for the pension plan investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS’ Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate

The total pension liability was calculated using the discount rate of 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.5 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.5 percent, as well as what the plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent), or one percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
School’s proportionate share of the net pension liability	\$2,303,129	\$1,739,605	\$1,267,913

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment rate of return	7.75 percent net of investment expenses
Cost-of-living adjustments	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA paid on fifth anniversary of retirement date

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set back two years through age 89 and not set back for age 90 and above. Females younger than age 80 are set back four years; one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016 valuation are based on the results of an actuarial experience study effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS’ investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

* The 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.5% and do not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that

are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2016.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the School's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School's proportionate share of the net pension liability	\$8,863,266	\$6,669,532	\$4,818,988

Changes Between Measurement Date and Report Date

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to the School's net pension liability is expected to be significant.

9. POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers a postemployment benefit plan.

Health Care Plan

Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code § 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14% contribution to the

Health Care Fund in accordance with the funding policy. For the year ended June 30, 2017, the health care allocation is 0.00%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. By statute no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the minimum compensation level was established at \$23,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. For fiscal year 2017, the School's surcharge obligation was \$2,760.

The School's contributions assigned to health care for the years ended June 30, 2017, 2016 and 2015 were \$2,760, \$240 and \$5,527, respectively. The fiscal year 2017 amount has been reported as pension and postemployment obligation payable. The full amount has been contributed for fiscal years 2016 and 2015.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

B. State Teachers Retirement System

Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment healthcare may be deducted from employer contributions. Of the 14% employer contribution rate, 0% of covered payroll was allocated to post-employment health care for the years ended June 30, 2017, 2016 and 2015. The 14% employer contribution rate is the maximum rate established under Ohio law. Contributions to post-employment health care were \$0 for the years ended June 30, 2017, 2016 and 2015, which equaled the required contributions for each year.

10. CONTINGENCIES

A. Grants

The School received financial assistance from state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions as specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. However, in the opinion of management, any such disallowed claims would not have a material adverse effect on the overall financial position of the School at June 30, 2017.

B. State Foundation Funding

School Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. However, there is an important nexus between attendance and enrollment for Foundation funding purposes. Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.

Under Ohio Revised Code Section 3314.08, ODE may also perform an FTE review subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information. ODE performed such a review on the School for fiscal year 2017.

As of the date of this report, ODE has made one adjustment of (\$747,362), which is included in intergovernmental payable.

As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable at this time. Management believes this may result in either an additional receivable to, or a liability of, the School.

In addition, the School's contracts with its sponsor, Buckeye Community Hope Foundation, and management company, K12 Inc., require payment based on revenues received from the State. As discussed above, additional FTE adjustments for fiscal year 2017 are not finalized. Until such adjustments are finalized by ODE, the impact on the fiscal year 2017 financial statements, related to additional reconciliation necessary with these contracts, is not determinable. Management believes this may result in either an additional receivable to, or liability of, the School.

11. OPERATING LEASES

During fiscal year 2017 the School leased an office facility under an operating lease. The terms of this lease end June 30, 2018. Total lease payments were \$46,425 for the year ended June 30, 2017. The future minimum lease payments, excluding taxes, insurance and common area operating expenses, for this lease are as follows:

	<u>Total</u>
Fiscal Year Ending June 30, 2018	\$47,973
<i>Total Minimum Lease Payments</i>	<u><u>\$47,973</u></u>

12. PURCHASED SERVICE EXPENSES

For the fiscal year ended June 30, 2017, purchased service expenses were payments for services rendered by various vendors, as follows:

<u>Service Type</u>	<u>Total</u>
Professional/Technical Services	\$3,828,582
Property Services	1,290,102
Travel	82,115
Communications	78,666
Contracted Trade	6,937
<i>Total</i>	<u><u>\$5,286,402</u></u>

13. TAX EXEMPT STATUS

The School was approved for tax exempt status under § 501(c)(3) of the Internal Revenue Code.

14. MANAGEMENT AGREEMENT

The School entered into a five-year contract, effective July 1, 2013 through June 30, 2018, with K12 Inc. for educational, administrative and technology services. Per the management agreement, K12 Inc. is entitled to 15 percent of revenues as an administrative fee (management) and 7 percent of revenues as a technology fee. The educational services are purchased at the prevailing rate charged by K12 Inc. to its partner schools. Terms of the contract require K12 Inc. to provide the following:

- A. Administrative services:
- Personnel and facility management
 - Administration of all business aspects and day-to-day management of the School
 - Budgeting and financial reporting and the annual reports
 - Maintenance of financial and student records
 - Pupil recruitment, admissions and student discipline
 - Rules and procedures and nondiscrimination requirements
 - Public relations

B. Technology services:

- Integrate technology and data systems with School's curriculum
- Monitor and analyze data, as necessary
- Report on pupils' academic performance
- Seek and secure competitive pricing and discounts for School, as available
- Provide training to staff, parents, and students as deemed necessary
- Develop, design, publish and maintain the School's interactive website
- Supervise installation of School's internal computer and telephone network
- Negotiate contracts with computer, printer, student information system, software and office set-up vendors
- Determine hardware configurations for the School's technology needs
- Support administrators in troubleshooting system errors

C. Educational services:

- Curriculum
- Instructional tools
- Additional educational services

For the fiscal year ended June 30, 2017, \$8,107,360 of expenses were incurred through K12. The breakdown is as follows:

Service Type	Total
Teacher Salaries and Benefits	\$3,228,083
Web Based Software - Curriculum	2,507,602
Student Computers - Lease	1,158,478
Technology Services Fee	661,476
Instructional Materials Usage	551,721
Management Fee	0
<i>Total</i>	\$8,107,360

15. K12 INC. MANAGEMENT COMPANY DISCLOSURE

For the fiscal year ended June 30, 2017, K12 Inc. incurred the following expenses in support of the School:

	Regular Instruction (1100 Function Codes)	Special Instruction (1200 Function Codes)	Support Services (2000 Function Codes)	Non- Instructional (3000 through 7000 Function Codes)	Total
Direct Expenses					
Salaries and Wages (100 object codes)	\$ 0	\$ 0	\$ 982,426	\$ 0	\$ 982,426
Employees' Benefits (200 object codes)	0	0	279,604	0	279,604
Professional and Technical Services (410 object codes)	0	0	269,953	0	269,953
Property Services (420 object codes)	0	0	12,019	0	12,019
Travel (430 object codes)	0	0	40,788	0	40,788
Communications (440 object codes)	0	0	457,078	0	457,078
Contracted Craft or Trade Services (460 object codes)	0	0	338,355	0	338,355
Other Purchased Services (490 object codes)	0	0	65,470	0	65,470
Books, Periodicals and Films (520, 530, 540 object codes)	336,846	87,544	0	0	424,390
Other Supplies (510, 550, 570, 580, 590 object codes)	0	0	475	0	475
Depreciation	0	0	0	800,303	800,303
Interest (820 object code)	0	0	0	(20,469)	(20,469)
Dues and Fees (object code 840)	0	0	150,989	0	150,989
Other Direct Costs (all other object codes)	0	0	298,542	0	298,542
Total Allocated Direct Expenses	336,846	87,544	2,895,699	779,834	4,099,923
Overhead	0	0	2,227,620	0	2,227,620
Total Direct Expenses and Overhead	\$336,846	\$87,544	\$5,123,319	\$779,834	\$6,327,543

Overhead expenses were allocated to the School based on the ratio of revenue earned from the School to total revenue from all schools managed by K12 Inc.

16. SPONSOR

The School was approved for operation under a contract with Buckeye Community Hope Foundation (the Sponsor) for a period of two academic years commencing on July 1, 2013. The contract has been renewed for three additional years commencing July 1, 2015. As part of this contract, the Sponsor is paid an oversight fee which is 3 percent of the total State Foundation funds received during the year. The total amount paid to the Sponsor for fiscal year 2017 was \$265,682.

17. BALANCE BUDGET CREDITS / RELATED PARTY TRANSACTION

The School and K12 Inc. agreed the School will not end the year with a negative net asset position, before the effects of GASB 68. At the end of the year, if necessary based on the School's audited financial statements, K12 will issue Balance Budget Credits in an amount sufficient to balance the School's budget.

At the end of the next fiscal year, if the School has a positive net asset position, before the effects of GASB 68, as evidenced by the audited financial statements, the School will repay a portion or all of the prior year's Balance Budget Credit depending on the amount of the positive net asset position. At the end of the contract term, if there is a balance of Balance Budget Credits which have not been remitted, such credits will be forgiven by K12.

At the end of fiscal year 2017, K12 Inc. issued a Balance Budget Credit of \$1,445,820. This Balance Budget Credit is reflected as a decrease in accounts payable owed to K12 Inc.

18. SUBSEQUENT EVENT

The contract between the Sponsor and the School expires on June 30, 2018. The School was notified on December 15, 2017 that that the Sponsor did not wish to renew the contract. The School has appealed this decision. As of the date of this report, the outcome of this appeal, as well as whether or not the School will remain open past June 30, 2018, is not known.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
School's Proportion of the Net Pension Liability	0.023768%	0.017002%	0.006703%
School's Proportionate Share of the Net Pension Liability	\$1,739,605	\$970,128	\$339,235
School's Covered-Employee Payroll	\$740,396	\$560,561	\$198,625
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	234.96%	173.06%	170.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%

Amounts presented as of the School's measurement date which is the prior fiscal year end.

(1) The School began operation in 2014. Information prior to 2014 is not available.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
School's Proportion of the Net Pension Liability	0.019925%	0.015759%	0.005035%
School's Proportionate Share of the Net Pension Liability	\$6,669,532	\$4,355,457	\$1,224,730
School's Covered-Employee Payroll	\$2,096,503	\$1,658,177	\$548,698
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	318.13%	262.67%	223.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%

Amounts presented as of the School's measurement date which is the prior fiscal year end.

(1) The School began operation in 2014. Information prior to 2014 is not available.

	2017	2016	2015	2014
Contractually Required Contribution Contributions in Relation to the Contractually Required Contribution	\$130,658	\$103,655	\$73,894	(\$26,996)
Contribution Deficiency (Excess)	(\$130,658)	(\$103,655)	(\$73,894)	26,996
School Covered-Employee Payroll	\$0	\$0	\$0	\$0
Contributions as a Percentage of Covered-Employee Payroll	\$932,707	\$740,396	\$560,651	\$198,625
	14.01%	14.00%	13.18%	13.59%

(1) The School began operation in 2014. Information prior to 2014 is not available.

	2017	2016	2015	2014
Contractually Required Contribution	\$341,713	\$293,510	\$230,193	\$66,879
Contributions in Relation to the				
Contractually Required Contribution	(\$341,713)	(\$293,510)	(\$230,193)	(\$66,879)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
School Covered-Employee Payroll	\$2,440,807	\$2,096,503	\$1,658,177	\$548,698
Contributions as a Percentage of				
Covered-Employee Payroll	14.00%	14.00%	13.88%	12.19%

(1) The School began operation in 2014. Information prior to 2014 is not available.

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 - 2017. See the notes to the basic financials for the methods and assumptions in this calculation.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the Board
Buckeye Urban Education Solutions dba Insight
School of Ohio
Columbus, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Buckeye Urban Education Solutions dba Insight School of Ohio, Franklin County, Ohio, (the School) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 11, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

December 11, 2017

BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2017

The prior audit report, as of June 30, 2016 included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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Dave Yost • Auditor of State

INSIGHT SCHOOL OF OHIO

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 5, 2018**

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY, OHIO**

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2016**

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Directors
Buckeye Urban Education Solutions
DBA Insight School of Ohio
1690 Woodland Drive, Suite 200
Maumee, Ohio 43537

We have reviewed the *Independent Auditor's Report* of the Buckeye Urban Education Solutions, DBA Insight School of Ohio, Franklin County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Buckeye Urban Education Solutions dba Insight School of Ohio is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 11, 2017

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**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
Buckeye Urban Education Solutions dba Insight
School of Ohio
Columbus, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Buckeye Urban Education Solutions dba Insight School of Ohio, Franklin County, Ohio, (the School) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Buckeye Urban Education Solutions dba Insight School of Ohio, Franklin County, Ohio, as of June 30, 2016, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016, on our consideration of the Buckeye Urban Education Solutions dba Insight School of Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Buckeye Urban Education Solutions dba Insight School of Ohio's internal control over financial reporting and compliance.



James G. Zupka, CPA, Inc.
Certified Public Accountants

December 20, 2016

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

The discussion and analysis of Buckeye Urban Education Solutions dba Insight School of Ohio's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" issued June, 1999.

Financial Highlights

Key financial highlights for 2016 are as follows:

- Total net position was (\$2,151,077) as of June 30, 2016, which is a \$624,238 decrease from net position of (\$1,526,839) at June 30, 2015.
- Due to an increase in enrollment, total revenue increased from \$7,543,044 in fiscal year 2015 to \$9,294,501 in fiscal year 2016.
- Due to the enrollment increase and due to an increase in the net pension liability, total program expenses increased from \$7,306,265 in fiscal year 2015 to \$9,918,739 in fiscal year 2016.
- The School does not have any long term debt.

During 2015, the School adopted GASB Statement 68, "*Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the School's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School's statements prepared on the accrual basis of accounting include an annual pension expense for its proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the School is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Using this Financial Report

This report consists of three parts: the MD&A, the basic financial statements, and notes to those statements. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

Reporting the School as a Whole

One of the most important questions asked about the School is, "As a whole, what is the School's financial condition as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, which appear first in the School's financial statements, report information on the School as a whole and its activities in a way that helps answer this question. These statements are prepared to include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most

Attachment 1
ODLS New School Application
BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY

Ohio Digital Learning School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the School's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, as reported in the Statement of Net Position – as one way to measure the School's financial health or financial position. Over time, increases or decreases in the School's net position – as reported in the Statement of Net Position – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School's operating results. However, the School's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the School, to assess the overall health of the School.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the activities for the School, which encompass all the School's services, including instruction, support services and community services. Unrestricted state aid and state and federal grants finance most of these activities.

The table below provides a summary of the School's net position for fiscal year 2016 and fiscal year 2015:

	2016	2015
Assets:		
Cash and Other Current Assets	\$1,180,271	\$1,267,110
Capital Assets, Net	6,780	0
<i>Total Assets</i>	\$1,187,051	\$1,267,110
Deferred Outflows of Resources:		
Pension	3,519,891	318,765
<i>Total Deferred Outflows of Resources</i>	3,519,891	318,765
Liabilities:		
Current Liabilities	1,187,051	1,267,110
Long-term Liabilities	5,325,585	1,563,965
<i>Total Liabilities</i>	6,512,636	2,831,075
Deferred Inflows of Resources:		
Pension	345,383	281,639
<i>Total Deferred Inflows of Resources</i>	345,383	281,639
Net Position:		
Invested in Capital Assets	6,780	0
Unrestricted	(2,157,857)	(1,526,839)
<i>Total Net Position</i>	(\$2,151,077)	(\$1,526,839)

Attachment 1
ODLS New School Application
BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY

Ohio Digital Learning School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

Cash and other current assets decreased by \$86,839 in 2016. This is related to a decrease in receivables. In addition, current liabilities decreased by \$80,059 in 2016. This is due to a decrease in accounts payable, offset by an increase in accrued wages and benefits due to an increase in employees.

The table below shows the changes in net position for fiscal year 2016 and fiscal year 2015, as well as a listing of revenues and expenses:

	2016	2015
Operating Revenue		
Foundation	\$7,070,448	\$6,061,724
Special Education	1,560,764	1,037,210
Total Operating Revenue	8,631,212	7,098,934
Non-Operating Revenue		
Grants and Program Initiatives	663,289	444,110
<i>Total Revenue</i>	9,294,501	7,543,044
 Operating Expenses		
Salaries	2,453,048	1,992,926
Fringe Benefits	1,263,710	279,135
Purchased Services	5,799,297	4,524,298
Materials and Supplies	360,912	481,955
Depreciation	521	0
Other Operating Expenses	41,251	27,951
<i>Total Expenses</i>	9,918,739	7,306,265
<i>Total Change in Net Position</i>	\$ (624,238)	\$ 236,779

The revenue for a community school is almost entirely dependent on the per-pupil allotment given by the State foundation and from Federal entitlement programs.

For the School, the total revenue increased 23% and total expenses increased 36% from fiscal year 2015 to 2016. The increase in revenues is due to an increase in students. The increase in expenses also relates to the enrollment increase, as well as an increase in pension expense due to an increase in the net pension liability of both the State Teachers Retirement System and School Employees Retirement System as required by GASB 68.

The School's most significant expense is purchased services, which represents 58% of total expenses. The total comprises primarily of fees paid to K12 Inc. for curriculum, student computers, management fees and technology fees. The agreement between the School and K12 provides for the School to remit a specific percentage of certain revenues received to K12 for management and technology services. See Note 13 of the financial statements for details of the agreement.

Capital Assets

At the end of fiscal year 2016, the School had \$6,780 net of depreciation invested in furniture and equipment.

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)

Current Financial Related Activities

The School's financial outlook over the next several years shows continued growth as enrollment is projected to increase. The management team and Board of Directors intend to continue their good stewardship of public funds by keeping appropriate levels of working capital and net position.

Contacting the School's Financial Management

This financial report is designed to provide all stakeholders with a general overview of the School's finances. Questions concerning any of the information in this report or requests for additional information should be directed to Kate Diu, School Treasurer, Insight School of Ohio, 2760 Airport Drive, Suite 125, Columbus, OH 43219.

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

STATEMENT OF NET POSITION
JUNE 30, 2016

Assets

Current Assets

Cash and Cash Equivalents	\$582,878
Prepaid Assets	13,219
Accounts Receivable	129,416
Intergovernmental Receivable	454,758

Total Current Assets 1,180,271

Non-Current Assets

Capital Assets:

Depreciable Capital Assets, Net	6,780
---------------------------------	-------

Total Assets 1,187,051

Deferred Outflows of Resources

Pension	3,519,891
---------	-----------

Liabilities

Current Liabilities

Accounts Payable	828,179
Accrued Wages and Benefits	323,746
Intergovernmental Payable	35,126

Total Current Liabilities 1,187,051

Long-Term Liabilities

Net Pension Liability	5,325,585
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Total Liabilities 6,512,636

Deferred Inflows of Resources

Pension	345,383
---------	---------

Net Position

Invested in Capital Assets	6,780
Unrestricted	(2,157,857)

Total Net Position (\$2,151,077)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE URBAN EDUCATION SOLUTIONS
 DBA INSIGHT SCHOOL OF OHIO
 FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Operating Revenues	
Foundation Payments	\$7,070,448
Special Education	1,560,764
	<hr/>
<i>Total Operating Revenues</i>	8,631,212
Operating Expenses	
Salaries	2,453,048
Fringe Benefits	1,263,710
Purchased Services	5,799,297
Materials and Supplies	360,912
Depreciation	521
Other	41,251
	<hr/>
<i>Total Operating Expenses</i>	9,918,739
<i>Operating Loss</i>	(1,287,527)
Non-Operating Revenues	
Grants Received – Federal	602,880
Grants Received – State & Local	60,409
	<hr/>
<i>Total Non-Operating Revenues</i>	663,289
<i>Change in Net Position</i>	(624,238)
<i>Net Position Beginning of Year</i>	<hr/> (1,526,839)
<i>Net Position End of Year</i>	<hr/> <hr/> (\$2,151,077)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE URBAN EDUCATION SOLUTIONS
 DBA INSIGHT SCHOOL OF OHIO
 FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Increase in Cash and Cash Equivalents

<u>Cash Flows from Operating Activities</u>	
Cash Received from Special Education	\$1,560,764
Cash Received from Foundation Payments	7,254,358
Cash Payments to Suppliers for Goods and Services	(6,717,613)
Cash Payments to Employees for Services	(2,087,000)
Cash Payments for Employee Benefits	(596,681)
Cash Payments to Others	<u>(45,645)</u>
<i>Net Cash Used by Operating Activities</i>	<u>(631,817)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received – Federal	584,272
Grants Received – State & Local	<u>60,409</u>
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>644,681</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Payments for Capital Acquisitions	<u>(7,301)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	5,563
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>577,315</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$582,878</u></u>

(Continued)

**BUCKEYE URBAN EDUCATION SOLUTIONS
 DBA INSIGHT SCHOOL OF OHIO
 FRANKLIN COUNTY**

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Continued)

**Reconciliation of Operating Loss to Net
 Cash Used by Operating Activities**

Operating Loss	(\$1,287,527)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	521
Changes in Assets and Liabilities	
(Increase) in Accounts Receivable	(73,407)
Decrease in Intergovernmental Receivable	183,910
Decrease in Prepaid Items	507
(Increase) in Deferred Outflows	(3,201,126)
(Decrease) in Accounts Payable	(195,533)
Increase in Accrued Wages and Benefits	98,858
Increase in Intergovernmental Payable	16,616
Increase in Net Pension Liability	3,761,620
Increase in Deferred Inflows	<u>63,744</u>
<i>Total Adjustments</i>	<u>655,710</u>
<i>Net Cash Used by Operating Activities</i>	<u><u>(\$631,817)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Insight School of Ohio (the School) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School offers home-based public education for Ohio children in grades 6-12. Parents, community leaders, and educators are working with the School to help provide an excellent education option. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The School may acquire facilities as needed and contract for any services necessary for the operation of the School.

The School was approved for operation under a contract with Buckeye Community Hope Foundation (the Sponsor) for a period of two academic years commencing on July 1, 2013. The contract has been renewed for three additional years commencing July 1, 2015. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration (see Note 15).

The School operates under the direction of a five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract that include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

The School contracts with K12 Inc. for a variety of services including management of personnel and human resources, the program of instruction, technology, marketing, data management, purchasing, strategic planning, public relations, financial reporting, recruiting, compliance issues, budgets, contracts, and equipment for teachers and students (see Notes 13 and 14). K12 Inc. employs the School's instructional/support staff of 4 administrative and 63 certificated teaching and other personnel who provide services to approximately 1,423 students.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below:

A. Basis of Presentation

The School's basic financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

B. Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, except under Ohio Revised Code Section 5705.391, the School must prepare a five year spending plan and submit it to the Ohio Superintendent of Public Instruction. In addition, the Sponsor does prescribe an annual budget requirement which is to be updated on an annual basis.

D. Cash and Cash Equivalents

All monies received by the School are maintained in a demand deposit account.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the dates received. The School maintains a capitalization threshold of over \$1,000 for all assets, except leased assets. Leased assets with a purchase price of \$5,000 or less will not be capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Depreciation of capital assets is computed using the straight-line method and the School utilizes the useful lives established by the IRS.

F. Intergovernmental Revenues

The School currently participates in the State Foundation Program and the Special Education Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. For the fiscal year ended June 30, 2016 State Foundation Program revenue was \$7,070,448 and revenue from the Special Education Program was \$1,560,764.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met and they are earned and measurable.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Grants awarded in 2016 included the following: Title I: \$361,026, Title II-A: \$46,047 and IDEA-B: \$195,807.

Amounts awarded under the above named programs for the 2016 fiscal year totaled \$9,234,092.

G. Accrued Liabilities Payable

The School has recognized certain liabilities on its Statement of Net Position relating to expenses which are due but unpaid as of June 30, 2016 including: accounts and intergovernmental payables and accrued wages and benefits.

H. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The School had no debt as of June 30, 2016. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School had no restricted net position at June 30, 2016.

The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the School, deferred outflows of resources have been reported for the following items related to

**NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

the School's net pension liability: (1) the difference between expected and actual experience of the pension systems, (2) the School's contributions to the pension systems subsequent to the measurement date, and (3) the change in the School's proportionate share of the net pension liability. The deferred outflows of resources related to pension are explained in Note 7.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School, deferred inflows of resources include the net difference between projected and actual earnings on pension plan investments related to the School's net pension liability. The deferred inflows of resources related to pension are explained in Note 7.

3. DEPOSITS

At June 30, 2016, the carrying amount of the School's deposits totaled \$582,878 and its bank balance was \$695,716. Based on the criteria described in GASB Statement No. 40, "*Deposit and Investment Risk Disclosure*", as of June 30, 2016, \$445,716 of the bank balance was exposed to custodial credit risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the School will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School.

4. RECEIVABLES

Receivables at June 30, 2016 mostly consisted of Federal grant revenues receivable which are considered collectible in full, due to the stable condition of Federal programs. Receivables are listed as follows:

Program/Vendor	Amount
Title I	\$294,860
Title II-A	37,888
State Foundation	122,010
<i>Total Intergovernmental Receivables</i>	<i>454,758</i>
Other Receivables	129,416
<i>Total Receivables</i>	<i>\$584,174</i>

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

5. INSTRUCTION

Approximately 85 percent of operating expenditures are used to provide direct instruction to students. Costs by various categories are as follows:

Service Type	Total
Teacher Salaries, Benefits & Expenses	\$ 3,350,655
Web Based Software - Curriculum	2,188,062
Student Computers, Internet & Technology	1,427,969
Pupil Support Salaries, Benefits & Expenses	828,657
Special Education Services	316,514
Instructional Materials	285,021
<i>Total</i>	\$8,396,878

6. RISK MANAGEMENT

A. Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the fiscal year ended June 30, 2016, the School obtained insurance through broker Arthur J. Gallagher & Co. with the following insurance coverage:

Commercial General Liability per Occurrence	\$1,000,000
Commercial General Liability Aggregate	\$3,000,000

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

7. DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions - between an employer and its employee - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings

**NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions are financed; however, the School does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on the accrual basis of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description

The School's non-teaching employees participate in SERS, a cost-sharing, multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or Before August 1, 2017*	Eligible to Retire on or After August 1, 2017
Full Benefits	Age 65 with 5 years of service credit or any age with 30 years of service credit	Age 67 with 10 years of service credit or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit or Age 60 with 25 years of service credit

*Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Annual retirement benefits are calculated as the greater of \$86 multiplied by the years of service or the final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy

Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund and Health Care Fund). For the fiscal year ending June 30, 2016, the allocation to pension, death benefits and Medicare B was 14 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund. The School's contractually required contributions to SERS were \$103,655 for fiscal year 2016. Of this amount \$32,884 was recorded as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

The School's licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing, multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013 or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013 must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy

Employer and member contribution rates are established by the State Teachers Retirement Board and are limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The School was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School's contractually required contribution to STRS was \$293,510 for fiscal year 2016. Of this amount \$2,242 was reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$970,128	\$4,355,457	\$5,325,585
Proportion of the Net Pension Liability	0.017002%	0.015759%	
Pension Expense	\$213,383	\$808,022	\$1,021,405

NOTES TO THE BASIC FINANCIAL STATEMENTS
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At June 30, 2016, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$15,621	\$198,554	\$214,175
Change in proportionate share	455,755	2,452,796	2,908,551
School contributions subsequent to the measurement date	103,655	293,510	397,165
Total Deferred Outflows of Resources	\$575,031	\$2,944,860	\$3,519,891
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$32,143	\$313,240	\$345,383
Total Deferred Inflows of Resources	\$32,143	\$313,240	\$345,383

\$397,165 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2017	(\$133,936)	(\$542,511)	(\$676,447)
2018	(133,936)	(542,511)	(676,447)
2019	(133,862)	(542,511)	(676,373)
2020	(37,499)	(710,577)	(748,076)
Total	(\$439,233)	(\$2,338,110)	(\$2,777,343)

Actuarial Assumptions – SERS

SERS' total pension liability was determined by its actuaries in accordance with GASB Statement No. 67, as part of its annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into

NOTES TO THE BASIC FINANCIAL STATEMENTS
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consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage inflation	3.25 percent
Future salary increases, including inflation	4.00 percent to 22 percent
COLA or ad hoc COLA	3.00 percent
Investment rate of return	7.75 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the pension plan investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

NOTES TO THE BASIC FINANCIAL STATEMENTS
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Discount Rate

The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School's proportionate share of the net pension liability	\$1,345,219	\$970,128	\$654,270

Changes Between Measurement Date and Report Date

In April 2016, the SERS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of June 30, 2016. The most significant change is a reduction in the discount rate from 7.75 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the School's net pension liability is expected to be significant.

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment rate of return	7.75 percent net of investment expenses
Cost-of-living adjustments	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA paid on fifth anniversary of retirement date

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set back two years through age 89 and not set back for age 90 and above. Females younger than age 80 are set back four years; one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015 valuation are based on the results of an actuarial experience study effective July 1, 2012.

NOTES TO THE BASIC FINANCIAL STATEMENTS
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The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the School's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School's proportionate share of the net pension liability	\$6,050,058	\$4,355,457	\$2,922,419

8. POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers a postemployment benefit plan.

NOTES TO THE BASIC FINANCIAL STATEMENTS
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Health Care Plan

Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code § 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2016, the health care allocation is 0.00%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. By statute no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the minimum compensation level was established at \$23,000. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School's contributions assigned to health care for the year ended June 30, 2016 and 2015 were \$240 and \$5,527, respectively, which equaled the required contributions that year.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

B. State Teachers Retirement System

Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

NOTES TO THE BASIC FINANCIAL STATEMENTS
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Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment healthcare may be deducted from employer contributions. Of the 14% employer contribution rate, 0% of covered payroll was allocated to post-employment health care for the years ended June 30, 2016 and June 30, 2015. The 14% employer contribution rate is the maximum rate established under Ohio law. Contributions to post-employment health care were \$0 for both the years ended June 30, 2016 and 2015, which equaled the required contributions for each year.

9. CONTINGENCIES

A. Grants

The School received financial assistance from state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions as specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. However, in the opinion of management, any such disallowed claims would not have a material adverse effect on the overall financial position of the School at June 30, 2016.

B. State Foundation Funding

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School, which can extend past the fiscal year end. As of the date of this report, ODE has made three adjustments totaling \$122,010, which is included in intergovernmental receivable.

10. OPERATING LEASES

During fiscal year 2016 the School leased an office facility under an operating lease. The terms of this lease end June 30, 2018. Total lease payments were \$44,878 for the year ended June 30, 2016. The future minimum lease payments, excluding taxes, insurance and common area operating expenses, for this lease are as follows:

	<u>Total</u>
Fiscal Year Ending June 30, 2017	\$ 46,425
Fiscal Year Ending June 30, 2018	47,973
<i>Total Minimum Lease Payments</i>	<u>\$94,398</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

11. PURCHASED SERVICE EXPENSES

For the fiscal year ended June 30, 2016, purchased service expenses were payments for services rendered by various vendors, as follows:

Service Type	Total
Professional/Technical Services	\$ 4,472,691
Property Services	1,136,416
Travel	107,304
Communications	74,186
Contracted Trade	8,700
<i>Total</i>	\$ 5,799,297

12. TAX EXEMPT STATUS

The School was approved for tax exempt status under § 501(c)(3) of the Internal Revenue Code.

13. MANAGEMENT AGREEMENT

The School entered into a five-year contract, effective July 1, 2013 through June 30, 2018, with K12 Inc. for educational, administrative and technology services. Per the management agreement, K12 Inc. is entitled to 15 percent of revenues as an administrative fee (management) and 7 percent of revenues as a technology fee. The educational services are purchased at the prevailing rate charged by K12 Inc. to its partner schools. Terms of the contract require K12 Inc. to provide the following:

A. Administrative services:

- Personnel and facility management
- Administration of all business aspects and day-to-day management of the School
- Budgeting and financial reporting and the annual reports
- Maintenance of financial and student records
- Pupil recruitment, admissions and student discipline
- Rules and procedures and nondiscrimination requirements
- Public relations

B. Technology services:

- Integrate technology and data systems with School's curriculum
- Monitor and analyze data, as necessary
- Report on pupils' academic performance
- Seek and secure competitive pricing and discounts for School, as available
- Provide training to staff, parents, and students as deemed necessary
- Develop, design, publish and maintain the School's interactive website
- Supervise installation of School's internal computer and telephone network
- Negotiate contracts with computer, printer, student information system, software and office set-up vendors
- Determine hardware configurations for the School's technology needs
- Support administrators in troubleshooting system errors

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

- C. Educational services:
- Curriculum
 - Instructional tools
 - Additional educational services

For the fiscal year ended June 30, 2016, \$7,838,044 of expenses were incurred through K12. The breakdown is as follows:

Service Type	Total
Management Fee	\$ 859,731
Web Based Software - Curriculum	2,286,318
Instructional Materials Usage	268,371
Teacher Salaries and Benefits	2,755,854
Technology Services Fee	650,615
Student Computers - Lease	1,017,155
<i>Total</i>	\$7,838,044

14. K12 INC. MANAGEMENT COMPANY DISCLOSURE

For the fiscal year ended June 30, 2016, K12 Inc. incurred the following expenses in support of the School:

Direct Expenses	
Salaries and Wages	\$ 758,231
Depreciation	688,650
Books, Periodicals and Films	399,830
Communications	360,751
Professional and Technical Services	351,196
Contracted Craft or Trade Services	318,855
Employees' Benefits	254,698
Other Direct Costs*	198,686
Dues and Fees	123,241
Travel	47,830
Other Purchased Services	42,094
Property Services	6,864
Interest Income	6,540
Other Supplies	352
Total Allocated Direct Expenses	3,557,818
Overhead	2,118,538
Total Direct Expenses and Overhead	\$5,676,356

(*) – Represents allocated income taxes

Overhead expenses were allocated to the School based on the ratio of revenue earned from the School to total revenue from all schools managed by K12 Inc.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

15. SPONSOR

The School was approved for operation under a contract with Buckeye Community Hope Foundation (the Sponsor) for a period of two academic years commencing on July 1, 2013. The contract has been renewed for three additional years commencing July 1, 2015. As part of this contract, the Sponsor is paid an oversight fee which is 3 percent of the total State Foundation funds received during the year. The total amount paid to the Sponsor for fiscal year 2016 was \$258,042.

16. BALANCE BUDGET CREDITS / RELATED PARTY TRANSACTION

The School and K12 Inc. agreed the School will not end the year with a negative net asset position, before the effects of GASB 68. At the end of the year, if necessary based on the School's audited financial statements, K12 will issue Balance Budget Credits in an amount sufficient to balance the School's budget.

At the end of the next fiscal year, if the School has a positive net asset position, before the effects of GASB 68, as evidenced by the audited financial statements, the School will repay a portion or all of the prior year's Balance Budget Credit depending on the amount of the positive net asset position. At the end of the contract term, if there is a balance of Balance Budget Credits which have not been remitted, such credits will be forgiven by K12.

At the end of fiscal year 2016, K12 Inc. issued a Balance Budget Credit of \$534,444. This Balance Budget Credit is reflected as a decrease in accounts payable owed to K12 Inc.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
 LAST TWO FISCAL YEARS (1)

	<u>2015</u>	<u>2014</u>
School's Proportion of the Net Pension Liability	0.017002%	0.006703%
School's Proportionate Share of the Net Pension Liability	\$970,128	\$339,235
School's Covered-Employee Payroll	\$560,561	\$198,625
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	173.06%	170.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%

(1) 2014 was the first year the School was in operation.

Amounts presented as of the School's measurement date which is the prior fiscal year end.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO
 LAST TWO FISCAL YEARS (1)

	2015	2014
School's Proportion of the Net Pension Liability	0.015759%	0.005035%
School's Proportionate Share of the Net Pension	\$4,355,457	\$1,224,730
School's Covered-Employee Payroll	\$1,658,177	\$548,698
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	262.67%	223.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%

(1) 2014 was the first year the School was in operation.

Amounts presented as of the School's measurement date which is the prior fiscal year end.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
 SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
 LAST THREE FISCAL YEARS (1)

	2016	2015	2014
Contractually Required Contribution	\$103,655	\$73,894	(\$26,996)
Contributions in Relation to the Contractually Required Contribution	(\$103,655)	(\$73,894)	26,996
Contribution Deficiency (Excess)	\$0	\$0	\$0
School Covered-Employee Payroll	\$740,396	\$560,651	\$198,625
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.59%

(1) 2014 was the first year the School was in operation.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO
 LAST THREE FISCAL YEARS (1)

	2016	2015	2014
Contractually Required Contribution	\$293,510	\$230,193	\$66,879
Contributions in Relation to the Contractually Required Contribution	(\$293,510)	(\$230,193)	(\$66,879)
Contribution Deficiency (Excess)	\$0	\$0	\$0
School Covered-Employee Payroll	\$2,096,503	\$1,658,177	\$548,698
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.88%	12.19%

(1) 2014 was the first year the School was in operation.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the Board
Buckeye Urban Education Solutions dba Insight
School of Ohio
Columbus, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Buckeye Urban Education Solutions dba Insight School of Ohio, Franklin County, Ohio, (the School) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Buckeye Urban Education Solutions dba Insight School of Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Buckeye Urban Education Solutions dba Insight School of Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Buckeye Urban Education Solutions dba Insight School of Ohio's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Buckeye Urban Education Solutions dba Insight School of Ohio's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Buckeye Urban Education Solutions dba Insight School of Ohio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Buckeye Urban Education Solutions dba Insight School of Ohio's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Buckeye Urban Education Solutions dba Insight School of Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

December 20, 2016

BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2016

The prior audit report, as of June 30, 2015, included no citations, instances of noncompliance or management letter recommendations.



Dave Yost • Auditor of State

INSIGHT SCHOOL OF OHIO

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 23, 2017**

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY, OHIO**

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2015**

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Education
Buckeye Urban Education Solutions
DBA Insight School of Ohio
33 North Third Street, Suite 620
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Buckeye Urban Education Solutions, DBA Insight School of Ohio, Franklin County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Buckeye Urban Education Solutions, DBA Insight School of Ohio is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 9, 2016

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**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
Buckeye Urban Education Solutions
dba Insight School of Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Buckeye Urban Education Solutions dba Insight School of Ohio, Franklin County, Ohio, (the School) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Buckeye Urban Education Solutions dba Insight School of Ohio, Franklin County, Ohio as of June 30, 2015, and the changes in financial position, and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the basic financial statements, the School adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, and restated its net position at June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of the School's Proportionate Share of the Net Pension Liability and Schedules of the School's Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2016, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

James G. Zupka,
CPA, President
James G. Zupka, CPA, Inc.
Certified Public Accountants

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President, o=James
G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2016.02.29 10:52:07 -05'00'

February 24, 2016

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

The discussion and analysis of Buckeye Urban Education Solutions dba Insight School of Ohio's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*" issued June, 1999.

Financial Highlights

Key financial highlights for 2015 are as follows:

- Total net position was (\$1,526,839) as of June 30, 2015, which is a \$236,779 increase from restated net position of (\$1,763,618) at June 30, 2014.
- Due to an increase in enrollment and Federal grant carryover, total revenue increased from \$3,064,489 in fiscal year 2014 to \$7,543,044 in fiscal year 2015.
- Similarly, total program expenses increased from \$3,064,489 in fiscal year 2014 to \$7,306,265 in fiscal year 2015.
- The School does not have any long term debt.

During 2015, the School adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the School's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School's statements prepared on the accrual basis of accounting include an annual pension expense for its proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the School is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014 from \$0 to (\$1,763,618).

Using this Financial Report

This report consists of three parts: the MD&A, the basic financial statements, and notes to those statements. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

Reporting the School as a Whole

One of the most important questions asked about the School is, "As a whole, what is the School's financial condition as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, which appear first in the School's financial statements, report information on the School as a whole and its activities in a way that helps answer this question. These statements are prepared to include all assets and

Attachment 1
ODLS New School Application
BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY

Ohio Digital Learning School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the School's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, as reported in the Statement of Net Position – as one way to measure the School's financial health or financial position. Over time, increases or decreases in the School's net position – as reported in the Statement of Net Position – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School's operating results. However, the School's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the School, to assess the overall health of the School.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the activities for the School, which encompass all the School's services, including instruction, support services and community services. Unrestricted state aid and state and federal grants finance most of these activities.

Table 1 provides a summary of the School's net position for fiscal year 2015 and fiscal year 2014:

	2015	2014
Assets:		
Cash and Other Current Assets	\$1,267,110	\$1,449,070
<i>Total Assets</i>	1,267,110	1,449,070
Deferred Outflows of Resources:		
Pension	318,765	93,875
<i>Total Deferred Outflows of Resources</i>	318,765	93,875
Liabilities:		
Current Liabilities	1,267,110	1,449,070
Long-term Liabilities	1,563,965	1,857,493
<i>Total Liabilities</i>	2,831,075	3,306,563
Deferred Inflows of Resources:		
Pension	281,639	0
<i>Total Deferred Inflows of Resources</i>	281,639	0
Net Position:		
Unrestricted	(1,526,839)	(1,763,618)
<i>Total Net Position</i>	(\$1,526,839)	(\$1,763,618)

Attachment 1
ODLS New School Application
BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY

Ohio Digital Learning School

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

Cash and other current assets decreased by \$181,960 in 2015. This is related to a decrease in cash offset by an increase in receivables. In addition, current liabilities decreased by \$181,960 in 2015. This is due to a decrease in accounts payable, which is the cause of the decrease in cash.

Table 2 shows the changes in net position for fiscal year 2015 and fiscal year 2014, as well as a listing of revenues and expenses:

	2015	2014
Operating Revenue		
Foundation	\$6,061,724	\$2,809,638
Special Education	1,037,210	247,853
Other Operating Revenue	0	350
Total Operating Revenue	7,098,934	3,057,841
Non-Operating Revenue		
Grants and Program Initiatives	444,110	6,648
Total Revenue	7,543,044	3,064,489
 Operating Expenses		
Salaries	1,992,926	652,604
Fringe Benefits	279,135	184,977
Purchased Services	4,524,298	1,918,045
Materials and Supplies	481,955	293,802
Other Operating Expenses	27,951	15,061
Total Expenses	7,306,265	3,064,489
Total Change in Net Position	\$ 236,779	\$ 0

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, the 2014 functional expenses still include pension expense of \$93,875 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$67,308. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$7,306,265
Pension expense under GASB 68	(67,308)
2015 contractually required contribution	304,087
Adjusted 2015 program expenses	7,543,044
Total 2014 program expenses under GASB 27	3,064,489
Increase in program expenses not related to pension	\$4,478,555

The revenue from a community school is almost entirely dependent on the per-pupil allotment given by the State foundation and from Federal entitlement programs.

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

For the School, the total revenue increased 146% and total expenses increased 138% from fiscal year 2014 to 2015. The large increase in revenues and expenses is mostly due to a large increase in students and due to the receipt of Federal grant awards.

The School's most significant expense, Purchased Services, represents 62% of total expenses. The total comprises primarily management and technology fees paid to K12 Inc. The agreement between the School and K12 provides for the School to remit a specific percentage of certain revenues received to K12 for management and technology services. See Note 14 of the financial statements for details of the agreement.

Capital Assets

At the end of fiscal year 2015, the School had \$0 net of depreciation invested in furniture and equipment.

Current Financial Related Activities

The School's financial outlook over the next several years shows continued growth as enrollment is projected to increase. The management team and Board of Directors intend to continue their good stewardship of public funds by keeping appropriate levels of working capital and net position.

Contacting the School's Financial Management

This financial report is designed to provide all stakeholders with a general overview of the School's finances. Questions concerning any of the information in this report or requests for additional information should be directed to Kate Diu, School Treasurer, Insight School of Ohio, 2760 Airport Drive, Suite 125, Columbus, OH 43219.

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

STATEMENT OF NET POSITION
JUNE 30, 2015

Assets

Current Assets

Cash and Cash Equivalents	\$577,315
Prepaid Assets	13,726
Accounts Receivable	56,009
Intergovernmental Receivable	620,060

<i>Total Current Assets</i>	1,267,110
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<i>Total Assets</i>	1,267,110
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Deferred Outflows of Resources

Pension	318,765
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Liabilities

Current Liabilities

Accounts Payable	1,023,712
Accrued Wages and Benefits	224,888
Intergovernmental Payable	18,510

<i>Total Current Liabilities</i>	1,267,110
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Long-Term Liabilities

Net Pension Liability	1,563,965
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<i>Total Liabilities</i>	2,831,075
--------------------------	-----------

Deferred Inflows of Resources

Pension	281,639
---------	---------

Net Position

Unrestricted	(1,526,839)
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<i>Total Net Position</i>	(\$1,526,839)
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE URBAN EDUCATION SOLUTIONS
 DBA INSIGHT SCHOOL OF OHIO
 FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating Revenues	
Foundation Payments	\$6,061,724
Special Education	<u>1,037,210</u>
<i>Total Operating Revenues</i>	7,098,934
Operating Expenses	
Salaries	1,992,926
Fringe Benefits	279,135
Purchased Services	4,524,298
Materials and Supplies	481,955
Other	<u>27,951</u>
<i>Total Operating Expenses</i>	<u>7,306,265</u>
<i>Operating Loss</i>	(207,331)
Non-Operating Revenues	
Grants Received – Federal	401,065
Grants Received – State & Local	<u>43,045</u>
<i>Total Non-Operating Revenues</i>	<u>444,110</u>
<i>Change in Net Position</i>	236,779
<i>Net Position Beginning of Year – Restated (See Note 3)</i>	<u>(1,763,618)</u>
<i>Net Position End of Year</i>	<u><u>(\$1,526,839)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BUCKEYE URBAN EDUCATION SOLUTIONS
 DBA INSIGHT SCHOOL OF OHIO
 FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Decrease in Cash and Cash Equivalents

<u>Cash Flows from Operating Activities</u>	
Cash Received from Special Education	\$1,037,210
Cash Received from Foundation Payments	5,776,531
Cash Payments to Suppliers for Goods and Services	(4,705,814)
Cash Payments to Employees for Services	(2,389,481)
Cash Payments for Employee Benefits	(666,701)
Cash Payments to Others	<u>(27,965)</u>
<i>Net Cash Used by Operating Activities</i>	<u>(976,220)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Grants Received – Federal	86,925
Grants Received – State & Local	<u>43,045</u>
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>129,970</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(846,250)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,423,565</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$577,315</u></u>

(Continued)

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

**Reconciliation of Operating Loss to Net
Cash Used by Operating Activities**

Operating Loss	(\$207,331)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Changes in Assets and Liabilities	
(Increase) in Accounts Receivable	(54,230)
(Increase) in Intergovernmental Receivable	(285,193)
(Increase) in Prepaid Items	(10,727)
(Increase) in Deferred Outflows	(224,890)
(Decrease) in Accounts Payable	(217,538)
Increase in Accrued Wages and Benefits	61,194
(Decrease) in Intergovernmental Payable	(25,616)
(Decrease) in Net Pension Liability	(293,528)
Increase in Deferred Inflows	<u>281,639</u>
<i>Total Adjustments</i>	<u>(768,889)</u>
<i>Net Cash Used by Operating Activities</i>	<u><u>(\$976,220)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Insight School of Ohio (the School) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School offers home-based public education for Ohio children in grades 6-12. Parents, community leaders, and educators are working with the School to help provide an excellent education option. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The School may acquire facilities as needed and contract for any services necessary for the operation of the School.

The School was approved for operation under a contract with Buckeye Community Hope Foundation (the Sponsor) for a period of two academic years commencing on July 1, 2013. The contract has been renewed for three additional years commencing July 1, 2015. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration (see Note 16).

The School operates under the direction of a five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract that include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

The School contracts with K12 Inc. for a variety of services including management of personnel and human resources, the program of instruction, technology, marketing, data management, purchasing, strategic planning, public relations, financial reporting, recruiting, compliance issues, budgets, contracts, and equipment for teachers and students (see Notes 14 and 15). K12 Inc. employs the School's instructional/support staff of 5 administrative and 61 certificated teaching and other personnel who provide services to approximately 1,024 students.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below:

A. Basis of Presentation

The School's basic financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

B. Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, except under Ohio Revised Code Section 5705.391, the School must prepare a five year spending plan and submit it to the Ohio Superintendent of Public Instruction. In addition, the Sponsor does prescribe an annual budget requirement which is to be updated on an annual basis.

D. Cash and Cash Equivalents

All monies received by the School are maintained in a demand deposit account.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the dates received. The School maintains a capitalization threshold of over \$1,000 for all assets, except leased assets. Leased assets with a purchase price of \$5,000 or less will not be capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Depreciation of capital assets is computed using the straight-line method and the School utilizes the useful lives established by the IRS. As of June 30, 2015, the School did not have any capital assets.

F. Intergovernmental Revenues

The School currently participates in the State Foundation Program and the Special Education Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. For the fiscal year ended June 30, 2015 State Foundation Program revenue was \$6,061,724 and revenue from the Special Education Program was \$1,037,210.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met and they are earned and measurable.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Grants awarded in 2015 included the following: Title I: \$277,564, Title II-A: \$4,050 and IDEA-B: \$119,451.

Amounts awarded under the above named programs for the 2015 fiscal year totaled \$7,499,999.

G. Accrued Liabilities Payable

The School has recognized certain liabilities on its Statement of Net Position relating to expenses which are due but unpaid as of June 30, 2015 including: accounts and intergovernmental payables and accrued wages and benefits.

H. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The School had no debt and no capital assets as of June 30, 2015. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School has no restricted net position at June 30, 2015.

The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the School, deferred outflows of resources have been reported for the following two items related to the

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

School's net pension liability: (1) the difference between expected and actual experience of the pension systems, and (2) the School's contributions to the pension systems subsequent to the measurement date. The deferred outflows of resources related to pension are explained in Note 8.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School, deferred inflows of resources include the net difference between projected and actual earnings on pension plan investments related to the School's net pension liability. The deferred inflows of resources related to pension are explained in Note 8.

3. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2015, the School implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported at June 30, 2014:

Net position June 30, 2014	\$ 0
Adjustments:	
Net Pension Liability	(1,857,493)
Deferred Outflow – Payments Subsequent to Measurement Date	93,875
Restated Net Position June 30, 2014	(\$1,763,618)

Other than employer contributions subsequent to the measurement date, the School made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

4. DEPOSITS

At June 30, 2015, the carrying amount of the School's deposits totaled \$577,315 and its bank balance was \$653,857. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure", as of June 30, 2015, \$403,857 of the bank balance was exposed to custodial credit risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the School will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School.

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

5. RECEIVABLES

Receivables at June 30, 2015 mostly consisted of Federal grant revenues receivable which are considered collectible in full, due to the stable condition of Federal programs. Receivables are listed as follows:

Program/Vendor	Amount
Title I	\$203,347
Title II-A	4,050
IDEA-B	106,743
State Foundation	305,920
<i>Total Intergovernmental Receivables</i>	620,060
Other Receivables	56,009
<i>Total Receivables</i>	\$676,069

6. INSTRUCTION

Approximately 91 percent of operating expenditures are used to provide direct instruction to students. Costs by various categories are as follows:

Service Type	Total
Teacher Salaries, Benefits & Expenses	\$ 1,948,046
Web Based Software - Curriculum	2,094,923
Student Computers, Internet & Technology	1,314,531
Instructional Materials	292,841
Pupil Support Salaries, Benefits & Expenses	787,557
Special Education Services	183,285
<i>Total</i>	\$6,621,183

7. RISK MANAGEMENT

A. Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the fiscal year ended June 30, 2015, the School obtained insurance through broker Arthur J. Gallagher & Co. with the following insurance coverage:

Commercial General Liability per Occurrence	\$1,000,000
Commercial General Liability Aggregate	\$3,000,000

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

8. DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions - between an employer and its employee - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions are financed; however, the School does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on the accrual basis of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description

The School's non-teaching employees participate in SERS, a cost-sharing, multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Age and service requirements for retirement are as follows:

	Eligible to Retire on or Before August 1, 2017*	Eligible to Retire on or After August 1, 2017
* Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit or Age 60 with 25 years of service credit

*Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy

Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund and Health Care Fund). For the fiscal year ending June 30, 2015, the allocation to pension, death benefits and Medicare B was 13.18 percent. The remaining .82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund. The School's contractually required contributions to SERS were \$73,894 for fiscal year 2015. Of this amount \$3,289 was recorded as an intergovernmental payable.

Plan Description - State Teachers Retirement System

Plan Description

The School's licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing, multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013 or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013 must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy

Employer and member contribution rates are established by the State Teachers Retirement Board and are limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School's contractually required contribution to STRS was \$230,193 for fiscal year 2015. Of this amount \$15,221 was reported as an intergovernmental payable.

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$339,235	\$1,224,730	\$1,563,965
Proportion of the Net Pension Liability	0.006703%	0.005035%	
Pension Expense	\$19,797	\$47,511	\$67,308

At June 30, 2015, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,887	\$11,791	\$14,678
School contributions subsequent to the measurement date	73,894	230,193	304,087
Total Deferred Outflows of Resources	<u>\$76,781</u>	<u>\$241,984</u>	<u>\$318,765</u>

Deferred Inflows of Resources

Net difference between projected and actual earnings on pension plan investments	\$55,059	\$226,580	\$281,639
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\$304,087 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2016	(\$13,043)	(\$53,697)	(\$66,740)
2017	(13,043)	(53,697)	(66,740)
2018	(13,043)	(53,697)	(66,740)
2019	(13,043)	(53,697)	(66,740)
Total	<u>(\$52,172)</u>	<u>(\$214,788)</u>	<u>(\$266,960)</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Actuarial Assumptions – SERS

SERS' total pension liability was determined by its actuaries in accordance with GASB Statement No. 67, as part of its annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage inflation	3.25 percent
Future salary increases, including inflation	4.00 percent to 22 percent
COLA or ad hoc COLA	3.00 percent
Investment rate of return	7.75 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the pension plan investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

Discount Rate

The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School's proportionate share of the net pension liability	\$483,988	\$339,235	\$217,486

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment rate of return	7.75 percent net of investment expenses
Cost-of-living adjustments	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA paid on fifth anniversary of retirement date

M

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set back two years through age 89 and not set back for age 90 and above. Females younger than age 80 are set back four years; one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014 valuation are based on the results of an actuarial experience study effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the School's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School's proportionate share of the net pension liability	\$1,753,331	\$1,224,730	\$777,707

9. POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers a postemployment benefit plan.

Health Care Plan

Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code § 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund to be used to subsidize the cost of health care coverage. For the year ended June 30, 2015, the health care allocation is .82%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. By statute no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the minimum compensation level was established at \$20,450. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School's contributions assigned to health care for the year ended June 30, 2015 and 2014 were \$5,527 and \$3,443, respectively, which equaled the required contributions that year.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

B. State Teachers Retirement System

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy – Under Ohio law, funding for post-employment healthcare may be deducted from employer contributions. Of the 14% employer contribution rate, 0% of covered payroll was allocated to post-employment health care for the year ended June 30, 2015. For the year ended June 30, 2014, 1% of covered payroll was allocated to post-employment health care. The 14% employer contribution rate is the maximum rate established under Ohio law. Contributions were \$0 and \$5,145 for the years ended June 30, 2015 and 2014, respectively, which equaled the required contributions for each year.

10. CONTINGENCIES

A. Grants

The School received financial assistance from state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions as specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2015.

B. State Foundation Funding

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School, which can extend past the fiscal year end. As of the date of this report, ODE has made two adjustments totaling \$239,771, which is included in intergovernmental receivable.

11. OPERATING LEASES

During fiscal year 2015 the School leased an office facility under an operating lease. The terms of this lease ended June 30, 2015. The School has a new operating lease with terms ending June 30, 2018. Total lease payments were \$21,979 for the year ended June 30, 2015. The future minimum lease payments, excluding taxes, insurance and common area operating expenses, for this lease are as follows:

	<u>Total</u>
Fiscal Year Ending June 30, 2016	\$ 44,878
Fiscal Year Ending June 30, 2017	46,425
Fiscal Year Ending June 30, 2018	47,973
<i>Total Minimum Lease Payments</i>	<u>\$139,276</u>

12. PURCHASED SERVICE EXPENSES

For the fiscal year ended June 30, 2015, purchased service expenses were payments for services rendered by various vendors, as follows:

Service Type	Total
Professional/Technical Services	\$ 3,364,937
Property Services	982,287
Travel	107,340
Communications	61,532
Contracted Trade	8,202
<i>Total</i>	<u>\$ 4,524,298</u>

13. TAX EXEMPT STATUS

The School was approved for tax exempt status under § 501(c)(3) of the Internal Revenue Code.

14. MANAGEMENT AGREEMENT

The School entered into a five-year contract, effective July 1, 2013 through June 30, 2018, with K12 Inc. for educational, administrative and technology services. Per the management agreement, K12 Inc. is entitled to 15 percent of revenues as an administrative fee (management) and 7 percent of revenues as a technology fee. The educational services are purchased at the prevailing rate charged by K12 Inc. to its partner schools. Terms of the contract require K12 Inc. to provide the following:

- A. Administrative services:
- Personnel and facility management
 - Administration of all business aspects and day-to-day management of the School
 - Budgeting and financial reporting and the annual reports

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

- Maintenance of financial and student records
 - Pupil recruitment, admissions and student discipline
 - Rules and procedures and nondiscrimination requirements
 - Public relations
- B. Technology services:
- Integrate technology and data systems with School's curriculum
 - Monitor and analyze data, as necessary
 - Report on pupils' academic performance
 - Seek and secure competitive pricing and discounts for School, as available
 - Provide training to staff, parents, and students as deemed necessary
 - Develop, design, publish and maintain the School's interactive website
 - Supervise installation of School's internal computer and telephone network
 - Negotiate contracts with computer, printer, student information system, software and office set-up vendors
 - Determine hardware configurations for the School's technology needs
 - Support administrators in troubleshooting system errors
- C. Educational services:
- Curriculum
 - Instructional tools
 - Additional educational services

For the fiscal year ended June 30, 2015, \$6,259,722 of expenses were incurred through K12. The breakdown is as follows:

Service Type	Total
Management Fee	\$ 179,102
Web Based Software - Curriculum	2,194,897
Instructional Materials Usage	277,095
Teacher Salaries and Benefits	2,229,190
Technology Services Fee	528,013
Student Computers - Lease	851,425
<i>Total</i>	\$6,259,722

NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

15. K12 INC. MANAGEMENT COMPANY DISCLOSURE

For the fiscal year ended June 30, 2015, K12 Inc. incurred the following expenses in support of the School:

Direct Expenses	
Salaries and wages	\$ 573,239
Depreciation	570,477
Books, periodicals and films	362,271
Communications	254,899
Professional and technical services	252,747
Contracted craft or trade services	239,839
Employees' benefits	142,102
Dues and fees	129,771
Other direct costs*	97,783
Other purchased services	59,144
Travel	32,434
Property services	7,093
Other supplies	310
Interest income	(12,598)
Total Allocated Direct Expenses	2,709,511
Overhead	1,548,563
Total Direct Expenses and Overhead	\$4,258,074

(*) – Represents allocated income taxes

Overhead expenses were allocated to the School based on the ratio of revenue earned from the School to total revenue from all schools managed by K12 Inc.

16. SPONSOR

The School was approved for operation under a contract with Buckeye Community Hope Foundation (the Sponsor) for a period of two academic years commencing on July 1, 2013. The contract has been renewed for three additional years commencing July 1, 2015. As part of this contract, the Sponsor is paid an oversight fee which is 3 percent of the total State Foundation funds received during the year. The total amount paid to the Sponsor for fiscal year 2015 was \$212,968.

17. BALANCE BUDGET CREDITS / RELATED PARTY TRANSACTION

The School and K12 Inc. agreed the School will not end the year with a negative net asset position, before the effects of GASB 68. At the end of the year, if necessary based on the School's audited financial statements, K12 will issue Balance Budget Credits in an amount sufficient to balance the School's budget.

At the end of the next fiscal year, if the School has a positive net asset position, before the effects of GASB 68, as evidenced by the audited financial statements, the School will repay a portion or all of the prior year's Balance Budget Credit depending on the amount of the positive net asset position. At the end of the contract term, if there is a balance of Balance Budget Credits which have not been remitted, such credits will be forgiven by K12.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

At the end of fiscal year 2015, K12 Inc. issued a Balance Budget Credit of \$952,354. This Balance Budget Credit is reflected as a decrease in accounts payable owed to K12 Inc.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION
 LIABILITY
 SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
 LAST TWO FISCAL YEARS (1)

	<u>2014</u>	<u>2013</u>
School's Proportion of the Net Pension Liability	0.006703%	0.006703%
School's Proportionate Share of the Net Pension Liability	\$339,235	\$398,606
School's Covered-Employee Payroll	\$198,625	\$0
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	170.79%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) 2014 was the first year the School was in operation.

Amounts presented as of the School's measurement date which is the prior fiscal year end.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION
 LIABILITY
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO
 LAST TWO FISCAL YEARS (1)

	2014	2013
School's Proportion of the Net Pension Liability	0.005035%	0.005035%
School's Proportionate Share of the Net Pension Liability	\$1,224,730	\$1,458,887
School's Covered-Employee Payroll	\$548,698	\$0
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	223.21%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) 2014 was the first year the School was in operation.

Amounts presented as of the School's measurement date which is the prior fiscal year end.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
 SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
 LAST TWO FISCAL YEARS (1)

	2015	2014
Contractually Required Contribution	\$73,894	\$26,996
Contributions in Relation to the Contractually Required Contribution	(\$73,894)	(\$26,996)
Contribution Deficiency (Excess)	\$0	\$0
School Covered-Employee Payroll	\$560,651	\$198,625
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.59%

(1) 2014 was the first year the School was in operation.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO
 LAST TWO FISCAL YEARS (1)

	2015	2014
Contractually Required Contribution	\$230,193	\$66,879
Contributions in Relation to the Contractually Required Contribution	(\$230,193)	(\$66,879)
Contribution Deficiency (Excess)	\$0	\$0
School Covered-Employee Payroll	\$1,658,177	\$548,698
Contributions as a Percentage of Covered-Employee Payroll	13.88%	12.19%

(1) 2014 was the first year the School was in operation.

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of the Board
Buckeye Urban Education Solutions
dba Insight School of Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Buckeye Urban Education Solutions dba Insight School of Ohio, Franklin County, Ohio, (the School) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated February 24, 2016, wherein we noted that the School adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, and restated its net position at June 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka,
CPA, President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G.
Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2016.02.29 10:52:30 -05'00'

James G. Zupka, CPA, Inc.
Certified Public Accountants

February 24, 2016

**BUCKEYE URBAN EDUCATION SOLUTIONS
DBA INSIGHT SCHOOL OF OHIO
FRANKLIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2015**

The prior audit report, as of June 30, 2014, included no citations, instances of noncompliance or management letter recommendations.

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Dave Yost • Auditor of State

INSIGHT SCHOOL OF OHIO

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 24, 2016**

**AUDITED FINANCIAL STATEMENTS - REGULATORY BASIS
AND REPORTS OF INDEPENDENT AUDITOR**

**INSIGHT SCHOOL OF OKLAHOMA, INC.
dba
INSIGHT SCHOOL OF OKLAHOMA NO. Z-4,
OKLAHOMA COUNTY, OKLAHOMA**

JUNE 30, 2017



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2017**

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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4
OKLAHOMA COUNTY, OKLAHOMA
JUNE 30, 2017**

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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4
OKLAHOMA COUNTY, OKLAHOMA
SCHOOL OFFICIALS
JUNE 30, 2017**

BOARD OF EDUCATION

President	DeAnna Gwatney
Secretary	Veronica McGowan
Treasurer	James Smith
Member	Amy Henderson
Member	Lealon Taylor

HEAD OF SCHOOL

Sheryl Tatum

BUSINESS MANAGER

Yungchih Chi

TREASURER

David Harp



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Insight School of Oklahoma School District No. Z-004
Midwest City, Oklahoma 73130

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Insight School of Oklahoma School District No. Z-004, Midwest City, Oklahoma (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State of Oklahoma. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our modified audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1, the financial statements are prepared by the Insight School of Oklahoma School District No. Z-004, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although reasonably determined, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the previous paragraph, the basic financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the

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United States of America, the financial position of the Insight School of Oklahoma School District No. Z-004, Oklahoma County, Oklahoma as of June 30, 2017, or the revenues, expenses, and changes in net position and, where applicable, its cash flows for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the general fixed assets account group, which is a departure from the regulatory basis of accounting prescribed by the Oklahoma State Department of Education. The amount that should be recorded in the general fixed asset account group is not known.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District as of June 30, 2017, and the revenues collected and expenditures paid and encumbered, of each fund type, for the year then ended, on the regulatory basis of accounting described in Note 1.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining statements-regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements-regulatory basis are fairly stated in all material respects in relation to the basic financial statements as a whole on the regulatory basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 7, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

November 7, 2017

COMBINED FINANCIAL STATEMENTS – REGULATORY BASIS

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2017**

	<u>GOVERNMENTAL FUND TYPES</u>	<u>FIDUCIARY FUND TYPES EXPENDABLE TRUST AND AGENCY FUND</u>	<u>TOTALS (MEMO. ONLY)</u>
<u>ASSETS</u>	<u>GENERAL</u>		
Cash	\$ 283,130	1,049	284,179
Investments	200,531		200,531
Total assets	<u>483,661</u>	<u>1,049</u>	<u>484,710</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Warrants payable	1,982		1,982
Encumbrances	479,320		479,320
Funds held for school organizations		1,049	1,049
Total liabilities	<u>481,302</u>	<u>1,049</u>	<u>482,351</u>
Fund balances			
Restricted for:			
Unassigned	2,359		2,359
Total fund balances	<u>2,359</u>	<u>-</u>	<u>2,359</u>
Total liabilities and fund balances	<u>\$ 483,661</u>	<u>1,049</u>	<u>484,710</u>

The notes to the combined financial statements are an integral part of this statement

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
CASH FUND BALANCES REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
JUNE 30, 2017**

	<u>GOVERNMENTAL FUND TYPES</u>
	<u>GENERAL</u>
Revenues	
Local sources	\$ 2,633
State sources	1,800,076
Federal sources	104,330
Total revenues	<u> 1,907,039</u>
 Expenditures	
Instruction	1,389,460
Support services	525,715
Total expenditures	<u> 1,915,175</u>
 Revenues over (under) expenditures	 (8,136)
 Other financing sources (uses)	
Lapsed appropriations	241
In-kind contribution	717,930
Non-categorical - See Note 4	(717,930)
Total other financing sources (uses)	<u> 241</u>
 Revenue and other sources over (under) expenditures and other uses	 (7,895)
 Cash fund balance, beginning of year	 <u> 10,254</u>
 Cash fund balance, end of year	 <u><u> \$ 2,359</u></u>

The notes to the combined financial statements are an integral part of this statement

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
REGULATORY BASIS - BUDGETED GENERAL FUND
JUNE 30, 2017**

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources			2,633
State sources	\$ 1,284,751	1,869,439	1,800,076
Federal sources	118,386	115,537	104,330
Total revenues	<u>1,403,137</u>	<u>1,984,976</u>	<u>1,907,039</u>
Expenditures			
Instruction	971,779	1,553,618	1,389,460
Support services	441,612	441,612	525,715
Total expenditures	<u>1,413,391</u>	<u>1,995,230</u>	<u>1,915,175</u>
Revenues over (under) expenditures	(10,254)	(10,254)	(8,136)
Other financing sources (uses)			
Lapsed appropriations			241
Total other financing sources (uses)			<u>241</u>
Revenue and other sources over (under) expenditures and other uses	(10,254)	(10,254)	(7,895)
Cash fund balance, beginning of year	<u>10,254</u>	<u>10,254</u>	<u>10,254</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>2,359</u>

The notes to the combined financial statements are an integral part of this statement

**NOTES TO THE COMBINED FINANCIAL STATEMENTS –
REGULATORY BASIS**

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Insight School of Oklahoma No. Z-4 (the "School") conform to the regulatory basis of accounting, which is an other comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The School's accounting policies are described in the following notes that are an integral part of the School's financial statements. The School has adopted the Governmental Accounting Standards Board (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which redefines the fund balance classifications from the previous two (2) into a possible five (5) classifications.

A. Reporting Entity

The School is a not for profit corporation in the State of Oklahoma filed with the Secretary of State as Insight School of Oklahoma on October 23, 2015. The School is recognized by the Internal Revenue Service as an exempt organization under section 501(c)(3) of the Internal Revenue Service Code.

The School is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on state of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the School is the Board of Education composed of appointed members. The appointed Head of Schools is the executive officer of the School.

In evaluating how to define the School, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

1. **Summary of Significant Accounting Policies-** contd.

A. Reporting Entity- contd.

component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the School and/or its citizens, or whether the activity is conducted within the geographic boundaries of the School and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the School is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the School's reporting entity, however, the school does have related parties.

B. Measurement Focus

The accounts of the School are organized and operate on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The School has the following fund type:

Governmental funds - are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). Basis of accounting refers to when the revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the Regulatory (Statutory) basis of accounting. All revenues from all sources, including entitlements, grants, and shared revenues are recognized when they are received rather than earned.

Expenditures are generally recognized when encumbered or reserved rather than at the time the related liability is incurred. Compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. These practices differ from generally accepted accounting principles.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

1. Summary of Significant Accounting Policies- contd.

B. Measurement Focus - contd.

Governmental funds include the following fund type:

General Fund – is the primary operating fund of the School. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered as resources available for use. Major revenue sources include state funding passed through the Statewide Virtual Charter School Board, and various local sources and state grants. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs. When the School incurs and expense for which it may use either restricted or unrestricted funds, it uses restricted resources first.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under a trust agreement, either a nonexpendable trust fund or an expendable trust fund is used depending on whether there is an obligation to maintain trust principal. Agency funds are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Agency Fund - The agency fund is the school activities fund which is used to account for monies collected principally through fundraising efforts of the student and District-sponsored groups. The administration is responsible, under the authority of the Board, in collecting, disbursing and accounting for these activity funds.

C. Basis of Accounting and Presentation

The School prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

1. **Summary of Significant Accounting Policies-** contd.

C. Basis of Accounting and Presentation – contd.

The financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education (OSDE) as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Compensated absences are recorded as an expenditure and liability when the obligation is paid.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which requires revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned.

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures

Deposits and Investments – State statutes govern the School’s investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The School invests entirely in certificates of deposit, U. S. Treasury Securities, and participates in the Secured Investment Program of Oklahoma State School Boards Association, as authorized by Oklahoma Statutes Title 62, Section 348.

Fair Value of Financial Instruments – The School’s financial instruments include cash and investments. The School’s estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

1. Summary of Significant Accounting Policies- contd.

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- contd.

Estimates – The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inter-fund Transactions – Inter-fund transactions are accounted for as revenues, expenditures or expenses. Transactions constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

Inventories – Inventories consist of minimal amounts of expendable supplies held for consumption. The value of consumable inventories at year-end is not material to the School's financial statements. The cost of inventories is recorded as expenditures when encumbered and purchased rather than when consumed.

Fixed Assets – The regulatory basis of accounting prescribed by the Oklahoma State Board of Education does not require the presentation of a General Fixed Asset Account Group. As a result, the School has not maintained a record of its general fixed assets, and, accordingly, a statement of general fixed assets required by generally accepted accounting principles prior to the issuance of GASB No. 34, is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Cash Fund Balance Classifications –

Restricted Cash Fund Balance – Cash fund balance should be reported as restricted when constraints placed on the use of resources are either;

- Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- Imposed by law through constitutional provisions or enabling legislation.

Unassigned Cash Fund Balance – Unassigned cash fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

1. Summary of Significant Accounting Policies- contd.

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- contd.

specific purposes within the general fund.

Local Revenues – Local sources of revenues include interest earnings, tuition, fees, rentals, disposals, commissions and reimbursements.

State and Per Capita Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to schools. For purposes of funding, a charter school is considered a site within the school district in which the charter school is located. A charter school is to receive from the sponsoring district, the state aid revenue generated by its students for the applicable year, less up to 5% of the total, which may be retained by the sponsoring school district as a fee for the administrative services rendered.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

The School receives revenue from the state (through their sponsor) to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires categorical educational program revenues be accounted for in the general fund.

The aforementioned state revenues are apportioned to the School's general fund. State revenues received indirectly from the Statewide Virtual Charter School Board are shown in the report as "State sources."

Federal Revenues - Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

1. **Summary of Significant Accounting Policies-** contd.

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- contd.

as the state. Entitlement is the amount of payment to which the School is entitled pursuant to an allocation formula contained in applicable statutes. There were no federal revenues received by the School in the current fiscal year.

Instruction Expenditures - Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.), which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

Operation of Non-Instructional Services Expenditures - Activities concerned with providing non-instructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures - Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvement to sites.

Other Outlays/Uses Expenditures - A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest) when applicable. Other uses include scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditure for self-funded employee benefit programs administered either by the School or a third-party administrator.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

1. **Summary of Significant Accounting Policies-** contd.

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- contd.

Repayment Expenditures - Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from School funds.

2. **Stewardship, Compliance and Accountability**

Budgetary Information

The School is required by state law to prepare an annual budget. Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories. The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Excise Board becomes the legal budget. Supplemental appropriations, if required, were made during the year and are reflected on the budget vs. actual presentations shown as original budget and final budget.

Encumbrances represent commitments related to underperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all Governmental Fund of the School. Purchase orders or contracts document encumbrance for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

3. **Detailed Notes Concerning the Funds**

Deposits and Investments

Custodial Credit Risk

Exposure to custodial credit risk related to deposits exists when the School holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the School's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the School holds investments that are

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

3. Detailed Notes Concerning the Funds-contd

Deposits and Investments – contd.

uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the School's name.

The School's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct obligations of the state, municipalities, counties, and schools in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the School must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2017, the School held deposits of approximately \$484,710 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. government insured or collateralized with securities held by the District or by its agent in the District's name.

Investment Interest Rate Risk

The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The School has no policy that limits its investment choices other than the limitation of state law that generally authorize investment in:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposits or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime banker's acceptances,

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
 NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2017**

3. Detailed Notes Concerning the Funds-contd

Deposits and Investments – contd.

- prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipations notes of public trusts whose beneficiary is a county, municipality or school.
 - e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
 - f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

The investments held at June 30, 2015 are as follows:

Type	Weighted Average Maturity (Months)	Market Value	Cost
Investments			
Money Market		\$ 0	\$ 0
Municipal tax-supported money judgments		0	0
Certificate of Deposit		<u>200,531</u>	<u>200,531</u>
Total investments		<u>\$ 200,531</u>	<u>\$200,531</u>

Concentration of Investment Credit Risk

The District places no limit on the amount it may invest in any one issuer. The District has the following of credit risk: 0% in Money Market funds, 0% in Municipal tax-supported money judgments and 100% in CDs (\$200,531).

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

4. Other Information

A. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

B. Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School continues to carry commercial insurance for these risks, including general and auto liability, property damage, and public officials' liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

C. Employee Retirement System and Plan

The School has chosen not to participate in the Oklahoma Teacher's Retirement System.

D. Related Parties

All officers of the School are employees of K12, Inc. (K12). K12 provides certain services to the School (see Note 4-F). The School makes payments to K12 for educational products, professional services and reimbursements (see Note 4-F). A provision in the K12 agreement provides for the issuance of accommodation credits to ensure the School does not end a fiscal year in a negative net asset position. At June 30, 2017, in-kind contributions (see Note 4-E) were \$717,930, which was the net result of the total billed amount from K12 of \$2,451,896 less payments made of \$1,254,674 and reserve for encumbrances of \$479,292.

E. In-kind Contributions

As mentioned in the related party note above (see Note 4-D), the School has an agreement with K12, whereby, if the total expenditures exceed the amount of funds available, the related party, K12, will issue a "deficit credit" or what is referred to in the financial pages as an in-kind contribution for the amount of expenditures that would cause the School to go into a fund balance deficit. Any excess expenditure owed to the related party is thus forgiven.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

F. Commitments

Management Agreement – On July 1, 2016, the School entered into an annual agreement with K12 to provide management and technology services. The fee for the management and technology services is based on a percentage of qualified revenues. The rates in effect for the year ended June 30, 2017 were 15% for management services and 7% for technology services – for a total of 22% of qualified revenues. K12 also provides materials, curriculum, and computers to the school.

G. Subsequent Events

Management has evaluated subsequent events through the report date which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**OTHER SUPPLEMENTARY
INFORMATION - REGULATORY BASIS**

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 REGULATORY BASIS - ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017**

	Balance <u>July 1, 2016</u>	<u>Additions</u>	Net <u>Transfers</u>	<u>Deletions</u>	Balance <u>June 30, 2017</u>
Assets					
Cash	<u>\$ 638</u>	<u>877</u>	<u>-</u>	<u>466</u>	<u>1,049</u>
Liabilities					
Funds held for student organizations					
Student Outings/Events	<u>638</u>	<u>877</u>	<u>-</u>	<u>466</u>	<u>1,049</u>
Total Liabilities	<u>\$ 638</u>	<u>877</u>	<u>-</u>	<u>466</u>	<u>1,049</u>

**INDEPENDENT SCHOOL DISTRICT NO. Z-4, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2016	Revenue Collected	Total Expenditures	Ending Balance 6/30/2017
<u>U.S. Department of Education</u>							
<u>Passed Through State Department of Education:</u>							
Title I Cluster:							
Title I-Part A, Improving Basic Programs	84.010	511	\$ 59,584	(9,429)	47,250	49,839	(2,589)
Title I-Part A, Improving Basic Programs 2015-16	84.010	799			9,429		
Title I-School Improvement	84.010	515	85,644		30,341	36,720	(6,379)
Total for Title I Program (Cluster)			145,228	(9,429)	87,020	86,559	(8,968)
Title II-Part A, Teacher & Principal Training	84.367	541	3,207		593	718	(125)
Title II-Part A 2015-16	84.367	799		(1,566)	1,566		
Special Education Cluster:							
IDEA-B Flowthrough	84.027	621	11,304	(3,847)	11,304	11,304	
IDEA-B Flowthrough 2015-16	84.027	799			3,847		
Total for Special Education Program (Cluster)			11,304	(3,847)	15,151	11,304	-
Total Federal Assistance			\$ 159,739	(14,842)	104,330	98,581	(9,093)

Note 1 - There were no amounts passed to subrecipients.

Note 2 - Grantor provides adequate insurance coverage against loss on assets purchased with Federal Awards.

Note 3 - The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements. These expenditures are recognized following the cost principles contained in the Uniform Guidance. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
 SCHEDULE OF SURETY BONDS
 FOR THE YEAR ENDED JUNE 30, 2017**

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
Western Surety Company	Superintendent	601081527	\$100,000	9/18/16-9/18/17
	Treasurer	601080582	\$100,000	8/21/16-8/21/17
	Encumbrance Clerk	601106999	\$1,000	7/1/16-7/1/17
	Activity Fund Custodian	601106999	\$1,000	8/2/16-8/2/17
	Minutes Clerk	601106999	\$1,000	7/1/16-7/1/17



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Board of Education
Insight School of Oklahoma School District No. Z-004
Midwest City, Oklahoma 73130

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying fund type and account group financial statements-regulatory basis as listed in the Table of Contents, of Insight School of Oklahoma School District No. Z-004, Midwest City, Oklahoma, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2017. This report was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

November 7, 2017

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
SCHEDULE OF FINDINGS
JULY 1, 2016 TO JUNE 30, 2017**

Findings – Financial Statement Audit

None.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS
JULY 1, 2016 TO JUNE 30, 2017**

None.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2016 TO JUNE 30, 2017**

State of Oklahoma)
County of Tulsa)

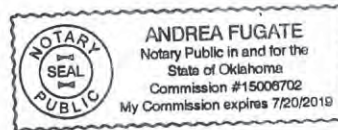
The undersigned auditing firm representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Insight School of Oklahoma for the audit year 2016-17.

Jenkins & Kemper, CPAs, P.C.
AUDITING FIRM

BY *Paul Jenkins*
AUTHORIZED AGENT

Subscribed and sworn to before me on this
7th day of, November, 2017

Andrea Fugate
NOTARY PUBLIC



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**AUDITED FINANCIAL STATEMENTS - REGULATORY BASIS 0
AND REPORTS OF INDEPENDENT AUDITOR 0
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INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, 0
OKLAHOMA COU0 TY, OKLAHOMA 0
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JUNE 30, 2016 0**

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JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4 C0
 OKLAHOMA COU0 TY, OKLAHOMA C0
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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4 C0
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OKLAHOMA COU0 TY, OKLAHOMA 0
SCHOOL OFFICIALS
JUNE 30, 2016 0

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B ARD OF EDUCATI N

President	DeAnna Gwatney
Secretary	Veronica McGowan
Treasurer	James Smith
Member	Amy Henderson
Member	Lealon Taylor

HEAD O SCHOOL

Sheryl Tatum

BUSINESS MANAGER

Abe Barela

TREASURER

David Harp

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Board of Education
Insight School of Oklahoma No. Z-0 4
Midwest City, Oklahoma 73130

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Report on the Financial Statements

We have audited the accompanying basic financial statements on a regulatory basis of the governmental activities, each major fund and the aggregate remaining fund information of Insight School of Oklahoma No. Z-0 4, Midwest City, Oklahoma (the "District") as of and for the year ended June 30, 2016, which collectively comprise the District basic financial statements as listed in the table of contents.

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Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our modified audit opinions.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1, the financial statements are prepared by the Insight School of Oklahoma No. Z-0 4, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although reasonably determined, are presumed to be material.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the previous paragraph, the basic financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the governmental activities, each major fund, and the aggregate remaining

fund information of the Insight School of Oklahoma No. Z-0 4, Oklahoma County, Oklahoma as of June 30, 2016, the changes in its financial position, where applicable, its cash flows for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the general fixed assets account group, which is a departure from the regulatory basis of accounting prescribed by the Oklahoma State Department of Education. The amount that should be recorded in the general fixed asset account group is not known.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the preceding paragraph, the basic financial statements referred to in the first paragraph presented fairly, in all material respects, the respective financial position-regulatory basis of the government activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position-regulatory basis for the year then ended on the regulatory basis of accounting described in Note 1.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining statements-regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements-regulatory basis are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 04, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of a audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Jenkins & Kempe, CPAs P.C.

Jenkins & Kempe
Certified Public Accountants, P.C.
November 04, 2016

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS –
REGULATORY BASIS**

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2016**

<u>ASSETS</u>	<u>GOVERNMENTAL FUND TYPES</u>	<u>FIDUCIARY FUND TYPES EXPENDABLE TRUST AND AGENCY FUNDS</u>	<u>TOTALS (MEMBERS ONLY)</u>
Cash	\$ 466,439	638	46,0
Total assets	<u>466,439</u>	<u>638</u>	<u>46,0</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Warrants payable	27,083		2,083
Encumbrances	429,122		429,122
Funds held for school organizations		638	638
Total liabilities	<u>456,185</u>	<u>638</u>	<u>456,823</u>
Fund balances			
Restricted for:			
Unassigned	10,254		1,254
Total fund balances	<u>10,254</u>		<u>1,254</u>
Total liabilities and fund balances	<u>\$ 466,439</u>	<u>638</u>	<u>46,0</u>

The notes to the combined financial statements are an integral part of this

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 CASH FUND BALANCES REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
 JUNE 30, 2016**

	<u>GOVERNMENTAL FUND TYPES</u>
	<u>GENERAL</u>
Revenues	
Local sources	\$ 1,669
State sources	1,511,945
Federal sources	125,49
Total revenues	1,639,104
 Expenditures	
Instruction	1,249,913
Support services	388,645
Total expenditures	1,638,558
 Revenues over (under) expenditures	 546
 Other financing sources (uses)	
Bank fees	(143)
Estopped warrants	8,69
Lapsed appropriations	76
In-kind contributions	291,88
Non-categorical - See Note 4	(291,878)
Total other financing sources (uses)	8,623
 Revenue and other sources over (under) expenditures and other uses	 9,169
 Cash fund balance, beginning of year	 1,085
 Cash fund balance, end of year	 \$ 10,254

The notes to the combined financial statements are an integral part of this statement.

**INSIGHT SCHOOL OF OKLAHOMA N6 . Z-4, OKLAHOMA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 REGULATORY BASIS - BUDGETED GENERAL FUND
 JUNE 30, 2016**

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ -	-	1,669
State sources	1,362,065	1,362,065	1,511,945
Federal sources	74,824	4,824	125,49
Total revenues	<u>1,436,889</u>	<u>1,436,889</u>	<u>1,639,104</u>
Expenditures			
Instruction			1,249,913
Support services			388,645
Non-categorical	1,43 ,974	1,437,974	
Total expenditures	<u>1,43 ,974</u>	<u>1,437,974</u>	<u>1,638,558</u>
Revenues over (under) expenditures	(1,085)	(1,085)	546
Other financing sources (uses)			
Bank fees			(143)
Estopped warrants			8,69
Lapsed appropriations			76
Total other financing sources (uses)			<u>8,623</u>
Revenue and other sources over (under) expenditures and other uses	(1,085)	(1,085)	9,169
Cash fund balance, beginning of year	<u>1,085</u>	<u>1,085</u>	<u>1,085</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>10,254</u>

The notes to the combined financial statements are an integral part of this statement.

**COMBINED FINANCIAL STATEMENTS –
REGULATORY BASIS**

**INSIGHT SCHOOL OF OKLAHOMA No. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

c)

1.) **Summary of Significant Accounting Policies**

The accompanying financial statements of the Insight School of Oklahoma No. Z-4 (the "School") conform to the regulatory basis of accounting, which is another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The School's accounting policies are described in the following notes that are an integral part of the School's financial statements. The School has adopted the Governmental Accounting Standards Board (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which redefines the fund balance classifications from the previous two (2) into a possible five (5) classifications.

A. Reporting Entity

The School is not for profit corporation in the State of Oklahoma filed with the Secretary of State as Insight School of Oklahoma on October 23, 2015. The School is recognized by the Internal Revenue Service as an exempt organization under section 501(c)(3) of the Internal Revenue Service Code.

The School is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on state of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the School is the Board of Education composed of appointed members. The appointed Head of Schools is the executive officer of the School.

In evaluating how to define the School, for financial reporting purposes, management has considered all potential component units. The decision to include potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basis, but not the only, criterion for including potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential

-9- c)

c)

**INSIGHT SCHOOL OF OKLAHOMA NUMBER 4, OKLAHOMA COUNTY LEARNING
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

c)

1.) **Summary of Significant Accounting Policies- contd.**

c)

A. Reporting Entity- contd.

c)

Component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the School and/or its citizens, or whether the activity is conducted within the geographic boundaries of the School and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the School is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the School's reporting entity, however, the school does have related parties.

B. Measurement Focus

The accounts of the School are organized and operate on the basis of funds. A fund is an independent financial reporting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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The School has the following fund type:

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Governmental funds are used to account for all or most of the government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). Basis of accounting refers to when the revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the Regulatory (Statutory) basis of accounting. All revenues from all sources, including entitlements, grants, and shared revenues are recognized when they are received rather than earned.

)

Expenditures are generally recognized when incurred or reserved rather than at the time the related liability is incurred. Compensated absences and limits and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. These practices differ from generally accepted accounting principles.

-10- c)

c)

**INSIGHT SCHOOL OF OKLAHOMA No. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

c)

1.) **Summary of Significant Accounting Policies- contd.)**

B. Measurement Focus - contd.)

Governmental funds include the following fund type:)

General Fund – is the primary operating fund of the School. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered as resources available for use. Major revenue sources include state funding passed through Cherokee-Nicomma Park School District, and various local sources and state grants. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs. When the School incurs an expense for which it may use either restricted or unrestricted funds, it uses restricted resources first.)

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under a trust agreement, either a nonexpendable trust fund or an expendable trust fund is used depending on whether there is an obligation to maintain trust principal. Agency funds are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.)

Agency Fund - The agency fund is the school activities fund which is used to account for monies collected principally through fundraising efforts of the student and District-sponsored groups. The administration is responsible, under the authority of the Board, in collecting, disbursing and accounting for these activity funds.)

C. Basis of Accounting and Presentation

The School prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.)

**INSIGHT SCHOOL OF OKLAHOMA No. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

1.) **Summary of Significant Accounting Policies- (contd.)**

C. Basis of Accounting and Presentation – contd.

The financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education (OSDE) as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not as assets.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Compensated absences are recorded as an expenditure and liability when the obligation is paid.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which requires revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned.

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures

Deposits and Investments – State statutes govern the School's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The School invests entirely in certificates of deposit, U.S. Treasury Securities, and participates in the Secured Investment Program of Oklahoma State School Boards Association, as authorized by Oklahoma Statutes Title 62, Section 348.

Fair Value of Financial Instruments – The School's financial instruments include cash and investments. The School's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

**INSIGHT SCHOOL OF OKLAHOMA No. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

c)

1. a) **Summary of Significant Accounting Policies- (contd.)**

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- (contd.)

Estimates – The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inter-fund Transactions – Inter-fund transactions are accounted for as revenues, expenditures or expenses. Transactions constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

Inventories – Inventories consist of minimal amounts of expendable supplies held for consumption. The value of consumable inventories at year-end is not material to the School's financial statements. The cost of inventories are recorded as expenditures when encumbered and purchased rather than when consumed.

Fixed Assets – The regulatory basis of accounting prescribed by the Oklahoma State Board of Education does not require the presentation of a General Fixed Asset Account Group. As a result, the School has not maintained a record of its general fixed assets, and, accordingly, statement of general fixed assets required by generally accepted accounting principles prior to the issuance of GASB No. 34, is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.

Cash Fund Balance Classifications –

Restricted Cash Fund Balance – Cash fund balance should be reported as restricted when constraints placed on the use of resources are either;

- Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- Imposed by law through constitutional provisions or enabling legislation.

Unassigned Cash Fund Balance – Unassigned cash fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to

**INSIGHT SCHOOL OF OKLAHOMA No. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

c)

1.) **Summary of Significant Accounting Policies- contd.**

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- contd.)

)
specific purposes within the general fund.)

)
Local Revenues – Local sources of revenues include interest earnings, tuition, fees, rentals, disposals, commissions and reimbursements.)

)
State and Per Capita Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to schools. For purposes of funding, a charter school is considered a site within the school district in which the charter school is located. A charter school is to receive from the sponsoring district, the state aid revenue generated by its students for the applicable year, less up to 5% of the total, which may be retained by the sponsoring school district as a fee for the administrative services rendered.)

)
After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.)

)
The School receives revenue from the state (through their sponsor) to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires categorical educational program revenues be accounted for in the general fund.)

)
The aforementioned state revenues are apportioned to the School's general fund. State revenues received indirectly from Chickaw-Nicomma Park School District are shown in the report as "State sources.")

)
Federal Revenues - Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as pass-through from another government, such as

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LEA
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

c)

1.) **Summary of Significant Accounting Policies- (contd.)**

)

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- contd.)

)

as the state. Entitlement is the amount of payment to which the School is entitled pursuant to a) allocation formula contained in applicable statutes. There were no federal revenues received by the School in the current fiscal year.)

)

Instruction Expenditures - Instruction expenditures include the activities relating directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.), which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach

)

for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.)

)

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.)

)

Operation of Non-Instructional Services Expenditures - Activities concerned with providing non-instructional services to students, staff or the community.)

)

Facilities Acquisition and Construction Services Expenditures - Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvement to sites.)

)

Other Outlays/Uses Expenditures - A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest) when applicable. Other uses include scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditure for self-funded employee benefit programs administered either by the School or a third party administrator.)

-15- c)

c)

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS FOR
THE YEAR ENDED JUNE 30, 2016**

- c)
- 1.) **Summary of Significant Accounting Policies- contd.)**
)
) ***D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- contd.)***
)
) Repayment Expenditures - Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from School funds.)
)
2. **Stewardship, Compliance and Accountability**
Lu
Budgetary Information Lu
Lu
The School is required by state law to prepare an annual budget. Under current Oklahoma Statutes, a formal Estimate of Needs (Budget) is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations adjusted for supplemental appropriations and approved transfers between budget categories. The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Expense Board becomes the legal budget. Supplemental appropriations, if required, were made during the year and reflected on the budget vs. actual presentations shown as original budget and final budget.)
)
Encumbrances represent commitments related to underperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all Governmental Fund of the School. Purchase orders or contracts document encumbrance for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.)
)
- 3.) **Detailed Notes Concerning the Funds**
u
u Deposits and Investments
)
) Custodial Credit Risk
u
Exposure to custodial credit risk related to deposits exists when the School holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the School's name; or collateralized without written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the School holds investments that are)

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

3.) **Detailed Notes Concerning the Funds-contd**

u

Deposits and Investments – contd.

uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the School's name.)

The School's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct obligations of the state, municipalities, counties, and schools in the state of Oklahoma surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the School must have a written collateral agreement approved by the board of directors or loan committee.)

At June 30, 2016, the School held deposits of approximately \$467,077 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. government insured or collateralized with securities held by the District or by its agent in the District's name. u

Investment Interest Rate Risk

The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.)

Investment Credit Risk

The School has no policy that limits its investment choices other than the limitation of state law that generally authorize investment in:)

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.)
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposits or savings accounts in out-of-state financial institutions.)
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances,)

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

3.) Detailed Notes Concerning the Funds-contd

u

Deposits and Investments – contd.

- d. County, municipal or school tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipations notes of public trusts whose beneficiary is a county, municipality or school.)
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.)
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a)-d.). c)

The School did not have any investments at June 30, 2016. c)

4.) Other Information)

A. Contingencies)

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.)

B. Risk Management)

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School continues to carry commercial insurance for these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.)

C. Employee Retirement System and Plan u

The School has chosen not to participate in the Oklahoma Teacher's Retirement System.)

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

c)

4.) **Other Information-contd.)**

)

D. Related Parties

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All officers of the School are employees of K12, Inc. (K12). K12 provides certain services to the School (see Note 4-F). The School makes payments to K12 for educational products, professional services and reimbursements (see Note 4-F). A provision in the K12 agreement provides for the issuance of accommodation credits to ensure the School does not end a fiscal year in a negative net asset position. At June 30, 2016, in-kind contributions (see Note 4-E) were \$291,878, which was the net result of the total billed amount from K12 of \$1,765,538 less payments made of \$1,046,697 and reserve for encumbrances of \$426,963.)

u

E. In-kind Contributions

u

As mentioned in the related party note above (see Note 4-D), the School has an agreement with K12, whereby, if the total expenditures exceed the amount of funds available, the related party, K12, will issue a "deficit credit" or what is referred to in the financial pages as an in-kind contribution for the amount of expenditures that would cause the School to go into a fund balance deficit. Any excess expenditure owed to the related party is thus forgiven.)

)

F. Commitments

Lu

Management Agreement – On July 1, 2015, the School entered into an annual agreement with K12 to provide management and technology services. The fee for the management and technology services is based on a percentage of qualified revenues. The rates in effect for the year ended June 30, 2016 were 15% for management services and 7% for technology services – for a total of 22% of qualified revenues. K12 also provides materials, curriculum, and computers to the school. c)

c)

G. Subsequent Events

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Management has evaluated subsequent events through the report date which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.)

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OTHER SUPPLEMENTARY L
INFORMATION - REGULATORY BASIS L

**INSIGHT SCH F OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 REGULATORY BASIS - ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

	Balance b July 1, 2015	Additions	Net b Transfers	Deletions	Balance b June 30, 2016
Assets					
Cash	\$ -	1,143	-	505	638
Liabilities					
Funds held for student organizations					
Prom	-	1,143		55	638
Total Liabilities	\$ -	1,143	-	505	638

**INSIGHT SCHOOL OF OKLAHOMA NO. Z44, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/01/2015	Revenue Collected	Total Expenditures	Ending Balance 6/30/2016
U.S. Department of Education							
Passed Through State Department of Education							
Title I-Part A, Improving Basic Programs	84.010	511	66,588	(14,900)	57,159	66,588	(9,429)
Title I-Part A, Improving Basic Programs 2014-15 - Note 1v	84.010	799			14,900		
Title II-Part A, Teacher & Principal Training	84.367	541	10,383	(1,172)	7,393	8,958	(1,565)
Title II-Part A 2014-15 - Note 1v	84.367	799	40,807	(7,906)	1,172	40,807	(3,847)
Special Education, Flowthrough h, P.L. 105-17v	84.027	621			36,960		
Special Education, Flowthrough h 2014-15 - Note 1v	84.027	799		(23,978)	7,906		
Subtotal - Cashed Through State Dept. of Education			117,778	(23,978)	125,490	116,353	(14,841)
Total Federal Assistance			117,778	(23,978)	125,490	116,353	(14,841)

Note 1 - Project number 799 refers to revenues received from prior-year programs.

Note 2 - This schedule was prepared on a rev latory basis of accounting consistent with the preparation of the combined financial statements.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OK AHOMA COUNTYL
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 FOD THB YBAD BNEBE JUNB 30, 2016L**

<u>BONDING COMPANYi</u>	<u>POSITIONi OVEREDi</u>	<u>BONDi NUMBERi</u>	<u>OVERAGEi AMOUNTi</u>	<u>EFFEi TIi E DATESi</u>
Western Surety Companyi	Superintendenti	601081527i	\$100,000i	9/18/15-9/18/16i
	Treasureri	601080582i	\$100,000i	8/21/15-8/21/16i
	Encumbrance Clerki	601066883i	\$50,000i	9/19/15-9/19/16i
	Activity Fund Custodiani	601091390i	\$10,000i	5/29/16-5/29/17i
	Minutes Clerki	601080141i	\$10,000i	8/18/15-8/18/16i



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND NON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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The Honorable Board of Education
IZsight School of Oklahoma School District No. Z-004 Z
Midwest City, Oklahoma 73130 Z

Z

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information on a regulatory basis, of IZsight School of Oklahoma School District No. Z-004, Midwest City, Oklahoma, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2016. This report was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education. Z

Z

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Z

Z

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Z

Z

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. Z

Z

Compliance and Other Matters c

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Z

Purpose of this Report c

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Z

Jenkins & Kemper, CPAs P.C. Z

Z

Jenkins & Kemper Z

Certified Public Accountants, P.C. Z

Z

November 4, 2016 Z

INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
SCHEDULE OF FINDINGS
JULY 1, 2015 TO JUNE 30, 2016

Findings – Financial Statement Audit

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None

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**INSIGHT SCHOOL OF 3 KLAHOMA NO. Z-4, OK3 AHOMA C3 UNTY L3
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS L3
JULY 1, 2015 TO JUNE 30, 2016 L3**

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None

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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2015 TO JUNE 30, 2016**

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State of Oklahoma) fc

County of Tulsa) fc

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fc
fc

The undersigned auditing firm representative of legal age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Insight School of Oklahoma for the audit year 2015-16. fc

fc
fc
fc

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Jenkins & Kemper, CPAs, P.C.
AUDITING FIRM

c

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BY _____
AUTHORIZED AGENT

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fc
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Subscribed and sworn to before me on this _____
day of _____, 20__

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NOTARY PUBLIC

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**AUDITED FINANCIAL STATEMENTS - REGULATORY BASIS 0
AND REPORTS OF INDEPENDENT AUDITOR 0
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JUNE 30, 2015 0

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JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

INSIGHT SCHOOL OF OKLAHOMA NO. Z-4 0
OKLAHOMA COUNTY, OKLAHOMA 0
JUNE 30, 2015 0
0

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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4 C0
OKLAHOMA COUNTY, OKLAHOMA C0
JUNE 30, 2015 C0
C0**

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INSIGHT SCHOOL OF OKLAHOMA NO. Z-4 0
OKLAHOMA COUNTY, OKLAHOMA 0
SCHOOL OFFICIALS
JUNE 30, 2015 0

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B O A R D O F E D U C A T I O N

President	DeAnna Gwatney
Secretary	Veronica McGowan
Treasurer	James Smith
Member	Sherry Adrian
Member	Lealon Taylor

H E A D O F S C H O O L

Sheryl Tatum

B U S I N E S S M A N A G E R

Abe Barela

T R E A S U R E R

David Harp

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INDEPENDENT AUDITOR'S REPORT

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The Honorable Board of Education
Insight School of Oklahoma No. Z-0 4 0
Nicoma Park, Oklahoma 73066 0

Report on the Financial Statements

We have audited the accompanying basic financial statements-regulatory basis of the governmental activities, each major fund and the aggregate remaining fund information of Insight School of Oklahoma (No. Z-0 4, (Nicoma Park, Oklahoma (the "District") as of and for the year ended June 30, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents. 0

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. 0

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 0

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. 0

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1, the financial statements are prepared by the Insight School of Oklahoma No. Z-0 4, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although reasonably determined, are presumed to be material. 0 0

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the previous paragraph, the basic financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the governmental activities, each major fund, and the aggregate remaining 0

fund information of the District of Oklahoma No. Z-04, Oklahoma County, Oklahoma as of June 30, 2015, the changes in its financial position, where applicable, its cash flows for the year ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the general fixed assets account group, which is a departure from the regulatory basis of accounting prescribed by the Oklahoma State Department of Education. The amount that should be recorded in the general fixed asset account group is not known.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the preceding paragraph, the basic financial statements referred to in the first paragraph presented fairly, in all material respects, the respective financial position-regulatory basis of the government activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position-regulatory basis for the year ended on the regulatory basis of accounting described in Note 1.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combined statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 12, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of a audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

November 12, 2015

F

**COMBINED FINANCIAL STATEMENTS – F
REGULATORY BASIS F**

F

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
 REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2015**

	<u>ASSETS</u>	GOVERNMENTAL FUND TYPES
		<u>GENERAL</u>
Cash		\$ 484,503
Total assets		<u>484,503</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities		
Warrants payable		318,388
Encumbrances		5,050
Total liabilities		<u>483,438</u>
Fund balances		
Restricted for:		
Unassigned		1,085
Total fund balances		<u>1,085</u>
Total liabilities and fund balances		<u>\$ 484,503</u>

The notes to the combined financial statements are an integral part of this statement

**INSIGHT SCHOOLS OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 CASH FUND BALANCES REGULATORY BASIS - ALL GOVERNMENTAL FUND TYPES
 JUNE 30, 2015**

	GOVERNMENTAL <u>FUND TYPES</u>
	GENERAL
Revenues	
Local sources	\$ 8,65
State sources	1,037,622
Federal sources	1,378
Total revenues	1,047,5
Expenditures	
Instruction	747,94
Support services	298,458
Total expenditures	1,047,399
Revenues over (under) expenditures	1,257
Other financing sources (uses)	
Bank fees	(172)
In-kind contribution	398,445
Non-categorical - See Note 4	(398,445)
Total other financing sources (uses)	(172)
Revenue and other sources over (under) expenditures and other uses	1,085
Cash fund balance, beginning of year	-
Cash fund balance, end of year	\$ 1,085

The notes to the combined financial statements are an integral part of this statement.

**INSIGHT SCHOOL OF OKLAHOMA N5 . Z-4, OKLAHOMA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
 REGULATORY BASIS - BUDGETED GENERAL FUND
 JUNE 30, 2015**

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues			
Local sources	\$ 15,000	5,000	8,65
State sources	1,078,805	,078,805	1,037,622
Federal sources			1,378
Total revenues	<u>1,093,805</u>	<u>,093,805</u>	<u>,047,65</u>
Expenditures			
Instruction			747,94
Support services			298,458
Non-categorical	1,093,805	,093,805	
Total expenditures	<u>1,093,805</u>	<u>,093,805</u>	<u>,046,399</u>
Revenues over (under) expenditures	-	-	,257
Other financing sources (uses)			
Bank Fees			(172)
Total other financing sources (uses)			<u>(172)</u>
Revenue and other sources over (under) expenditures and other uses	-	-	1,085
Cash fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash fund balance, end of year	<u>\$ -</u>	<u>-</u>	<u>1,085</u>

The notes to the combined financial statements are an integral part of this statement

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS –
REGULATORY BASIS**

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

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1.) **Summary of Significant Accounting Policies**

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The accompanying financial statements of the Insight School of Oklahoma No. Z-4 (the "School") conform to the regulatory basis of accounting, which is another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education and conforms to the system of accounting authorized by the State of Oklahoma. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. The School's accounting policies are described in the following notes that are an integral part of the School's financial statements. The School has adopted the Governmental Accounting Standards Board (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which redefines the fund balance classifications from the previous two (2) into a possible five (5) classifications.

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A. Reporting Entity

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The School is not for profit corporation in the State of Oklahoma filed with the Secretary of State as Insight School of Oklahoma on October 23, 2014. The School is recognized by the Internal Revenue Service as an exempt organization under section 501(c)(3) of the Internal Revenue Service Code.

)

The School is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on state of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

)

The governing body of the School is the Board of Education composed of appointed members. The appointed Head of Schools is the executive officer of the School.

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In evaluating how to define the School, for financial reporting purposes, management has considered all potential component units. The decision to include potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basis, but not the only, criterion for including potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential

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c)

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

c)
1.) **Summary of Significant Accounting Policies- (contd.)**

c)
A. Reporting Entity- contd. c)

c)
Component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the school and/or its citizens, or whether the activity is conducted within the geographic boundaries of the school and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the school is able to exercise oversight responsibilities. Based upon the application of these criteria there are no potential component units included in the school's reporting entity, however, the school does have related parties.

B. Measurement Focus

The accounts of the school are organized and operate on the basis of funds. A fund is an independent financial reporting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The School has the following fund type:

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Governmental funds are used to account for all or most of the government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). Basis of accounting refers to when the revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental type funds are accounted for using the Regulatory (Statutory) basis of accounting. All revenues from all sources, including entitlements, grants, and shared revenues are recognized when they are received rather than earned.

Expenditures are generally recognized when enumerated or reserved rather than at the time the related liability is incurred. Compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. These practices differ from generally accepted accounting principles.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

c)

1.) **Summary of Significant Accounting Policies- (contd.)**

B. Measurement Focus - contd.)

Governmental funds include the following fund type:)

General Fund – is the primary operating fund of the School. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered its resources available for use. Major revenue sources include state funding passed through Cherokee-Nicomma Park School District, and various local sources and state grants. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund also accounts for federal and state financed programs where restricted monies must be expended for specific programs. When the School incurs and expense for which it may use either restricted or unrestricted funds, it uses restricted resources first.)

C. Basis of Accounting and Presentation

The School prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.)

The financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education (OSDE) as follows:)

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies are recorded as expenditures when approved.)
- Investments are recorded as assets when purchased.)
- Inventories of school supplies are recorded as expenditures and not as assets.)
- Warrants payable are recorded as liabilities when issued.)
- Long-term debt is recorded when incurred.)
- Compensated absences are recorded as an expenditure and liability when the obligation is paid. c)

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

1.) **Summary of Significant Accounting Policies- (contd.)**

C. Basis of Accounting and Presentation – contd.

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which requires revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned.

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures

Deposits and Investments – State statutes govern the School's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The School invests entirely in certificates of deposit, U.S. Treasury Securities, and participates in the Secured Investment Program of Oklahoma State School Boards Association, as authorized by Oklahoma Statutes Title 62, Section 348.

Fair Value of Financial Instruments – The School's financial instruments include cash and investments. The School's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Estimates – The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inter-fund Transactions – Inter-fund transactions are accounted for as revenues, expenditures or expenses. Transactions constitute reimbursements to one fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

c)

1. a) **Summary of Significant Accounting Policies-** (contd.)

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D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- (contd.)

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Inventories – Inventories consist of minimal amounts of expendable supplies held for consumption. The value of consumable inventories at year-end is not material to the School's financial statements. The cost of inventories recorded as expenditures when encumbered and purchased rather than when consumed.)

)

Fixed Assets – The regulatory basis of accounting prescribed by the Oklahoma State Board of Education does not require the presentation of a General Fixed Asset Account Group. As a result, the School has not maintained a record of its general fixed assets, and, accordingly, statement of general fixed assets required by generally accepted accounting principles prior to the issuance of GASB No. 34, is not included in the financial statements. General fixed assets purchased are recorded as expenditures in the various funds at the time of purchase.)

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Cash Fund Balance Classifications –)

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Restricted Cash Fund Balance – Cash fund balance should be reported as restricted when constraints placed on the use of resources are either;)

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- Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or)
- Imposed by law through constitutional provisions or enabling legislation.)

)

Unassigned Cash Fund Balance – Unassigned cash fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.)

)

Local Revenues – Local sources of revenues include interest earnings, tuition, fees, rentals, disposals, commissions and reimbursements.)

)

State and Per Capita Revenues - Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to schools. For purposes of funding, a charter school is considered a site within the school district in which the charter school is located. A charter school is to receive from the sponsoring district, the state aid revenue generated by its students for the applicable year,)

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

c)

1.) **Summary of Significant Accounting Policies-** contd.

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- contd.)

)
less up to 5% of the total, which may be retained by the sponsoring school district as a fee for the administrative services rendered.)

)
After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.)

)
The School receives revenue from the state (through their sponsor) to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires categorical educational program revenues be accounted for in the general fund.)

)
The aforementioned state revenues are apportioned to the School's general fund. State revenues received indirectly from Choctaw-Nicomache Park School District are shown in the report as "State sources.")

)
Federal Revenues - Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as pass-through from another government, such as the state. Entitlement is the amount of payment to which the School is entitled pursuant to a formula contained in applicable statutes. There were no federal revenues received by the School in the current fiscal year.)

)
Instruction Expenditures - Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.), which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LEA
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

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1.) **Summary of Significant Accounting Policies-** (contd.)

)

D. Assets, Liabilities, Cash Fund Balance, Revenues and Expenditures- (contd.)

)

for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.)

)

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.)

)

Operation of Non-Instructional Services Expenditures - Activities concerned with providing non-instructional services to students, staff or the community.)

)

Facilities Acquisition and Construction Services Expenditures - Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvement to sites.)

)

Other Outlays/Uses Expenditures - A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest) when applicable. Other uses include scholarships provided by private gifts and endowments; student and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditure for self-funded employee benefit programs administered either by the School or a third party administrator.)

)

Repayment Expenditures - Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from School funds.)

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2. **Stewardship, Compliance and Accountability**

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Budgetary Information Lu

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The School is required by state law to prepare an annual budget. Under current Oklahoma Statutes, formal Estimate of Needs (Budget) is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for)

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS FOR
THE YEAR ENDED JUNE 30, 2015**

2. Stewardship, Compliance and Accountability

Budgetary Information – contd.

supplemental appropriations and approved transfers between budget categories. The annual Estimate of Needs, when approved by the Board and subsequently filed with the County Clerk and approved by the County Expense Board becomes the legal budget. Supplemental appropriations, if required, were made during the year and are reflected on the budget vs. actual presentations shown as original budget and final budget.

Encumbrances represent commitments related to underperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all Governmental Fund of the School. Purchase orders or contracts document encumbrance for goods or purchased services. Under Oklahoma law, unencumbered appropriations lapse at year-end.

3. Detailed Notes Concerning the Funds

Deposits and Investments

Custodial Credit Risk

Exposure to custodial credit risk related to deposits exists when the School holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the School's name; or collateralized without written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the School holds investments that are uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the School's name.

The School's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct obligations of the state, municipalities, counties, and schools in the state of Oklahoma surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the School must have written collateral agreement approved by the board of directors or loan committee.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LEASING
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

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3.) **Detailed Notes Concerning the Funds**

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u Deposits and Investments – contd.)

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At June 30, 2015, the School held deposits of approximately \$484,503 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. government insured or collateralized with securities held by the District or by its agent in the District's name. u

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Investment Interest Rate Risk

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The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.)

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Investment Credit Risk

)

The School has no policy that limits its investment choices other than the limitation of state law that generally authorize investment in:)

)

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.)
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposits or savings accounts in out-of-state financial institutions.)
 - c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.)
- d. County, municipal or school tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipations notes of public trusts whose beneficiary is a county, municipality or school.)
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administration and debentures issued by the Federal Housing Administration, and in obligations of the National Mortgage Association.)
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a)-d.).)

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The School did not have any investments at June 30, 2015.)

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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

4.) **Other Information**

A. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

B. Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School continues to carry commercial insurance for these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

C. Employee Retirement System and Plan

The School has chosen not to participate in the Oklahoma Teacher's Retirement System.

D. Related Parties

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All officers of the School are employees of K12, Inc. (K12). K12 provides certain services to the School (see Note 4-F). The School makes payments to K12 for educational products, professional services and reimbursements (see Note 4-F). A provision in the K12 agreement provides for the issuance of accommodation credits to ensure the School does not end a fiscal year in a negative net asset position. At June 30, 2015, in-kind contributions (see Note 4-E) were \$398,445, which was the net result of the total billed amount from K12 of \$1,317,931 less payments made of \$760,181 and reserve for encumbrances of \$159,305.

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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY LOCAL
NOTES TO COMBINED FINANCIAL STATEMENTS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

c)

4.) **Other Information**

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E. In-kind Contributions

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As mentioned in the related party note above (see Note 4-D), the School has an agreement with K12, whereby, if the total expenditures exceed the amount of funds available, the related party, K12, will issue a "deficit credit" or what is referred to in the financial pages as an in-kind contribution for the amount of expenditures that would cause the School to go into a fund balance deficit. Any excess expenditure owed to the related party is thus forgiven.

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F. Commitments

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Management Agreement – On July 1, 2014, the School entered into an annual agreement with K12 to provide management and technology services. The fee for the management and technology services is based on a percentage of qualified revenues. The rates in effect for the year ended June 30, 2015 were 15% for management services and 7% for technology services – for a total of 22% of qualified revenues. K12 also provides materials, curriculum, and computers to the school.

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G. Subsequent Events

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Management has evaluated subsequent events through the report date which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

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OTHER SUPPLEMENTARY L
INFORMATION - REGULATORY BASIS L

**INSIGHT SCHOOL OF OKLAHOMA NO. Z4, OKLAHOMA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015F**

Federal Grantor/Pass Through Grantor/Program Title	Federal Grantor's/N		Beginning Balance 7/01/2014N	Revenue CollectedN	Total ExpendituresN	Ending BalanceN 6/30/2015N
	Federal CFDAN Number	Pass-through Grantor'sN Number				
Passed Through State Department of Education:						
Title I Part A, Improving Basic Programs	84.010	511	\$ 14,974		14,900	(14,900)
Title II Part A, Teacher & Principal Training	84.367	541	2,865	1,378	2,550	(1,172)
Special Education, Flowthrough, P.L. 105-17N	84.027	621	8,09		,906	(7,906)
Subtotal Passed Through State Dept of Education			<u>25,936</u>	<u>1,378</u>	<u>25,356</u>	<u>(23,978)</u>
Total Federal Assistance			<u>\$ 25,936</u>	<u>1,378</u>	<u>25,356</u>	<u>(23,978)</u>

Note 1 This schedule was prepared on a regulatory basis of accounting consistent with the preparation of the combined financial statements.

**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
 SCHEDULE OF SURETY BONDS
 FOR THE YEAR ENDED JUNE 30, 2015**

<u>BONDING COMPANY</u>	<u>POSITION</u>	<u>BOND</u>	<u>OVERAGE</u>	<u>EFFE T I E D A T E S</u>
	<u>OVERED</u>	<u>NUMBER</u>	<u>AMOUNT</u>	
Liberty Mutual	Superintendent	601081527	\$ 100,000	9/18/14-9/18/15
	Treasurer	601080582	\$ 100,000	8/21/14-8/21/15
	Encumbrance Clerk	601066883	\$ 1,000	9/19/14-9/19/15
	Activity Fund Custodian	601091390	\$ 1,000	5/29/15-5/29/16
	Minutes Clerk	601066883	\$ 10,000	8/14/14-8/14/15



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND FINANCIAL COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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The Honorable Board of Education
Insight School of Oklahoma No. Z-004
Nicom Park, Oklahoma 73066

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information- regulatory basis, of Insight School of Oklahoma No. Z-004, Nicom Park, Oklahoma, for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 2, 2015. This report was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of the general fixed asset account group with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

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Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, on a timely basis, a misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

November 2, 2015

**INSIGHT SCHOOL OF 5 KLAHOMA NO. Z-4, OK5 AHOMA C5 UNTY L5
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS L5
JULY 1, 2014 TO JUNE 30, 2015 L5**

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None

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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2014 TO JUNE 30, 2015**

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State of Oklahoma) fc

County of Tulsa) fc

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The undersigned auditing firm representative of legal age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Insight School of Oklahoma for the audit year 2014-14. fc

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Jenkins & Kemper, CPAs, P.C.
AUDITING FIRM

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BY _____
AUTHORIZED AGENT

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Subscribed and sworn to before me on this _____
day of _____, 20__

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NOTARY PUBLIC

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**INSIGHT SCHOOL OF OKLAHOMA NO. Z-4, OKLAHOMA COUNTY
AUDIT ACKNOWLEDGEMENT
JULY 1, 2014 TO JUNE 30, 2015**

The annual independent audit for Insight School of Oklahoma was presented to the Board of Education in an Open Board Meeting as indicated below.

Presented by: Jenkins & Kemper, CPAs, P.C.

u.

Firm Representative u.

The School Board acknowledges that as the governing body of the district, responsible for the district's financial and compliance operations, the audit findings and exceptions have been presented to them.

A copy of the audit, including this acknowledgement form, will be sent to the Oklahoma State Department of Education within 30 days from its presentation, as stated in 70 O.S. § 22-108:

“The local board of education shall forward a copy of the audit report to the State Board of Education within thirty (30) days after receipt of said audit.”

Superintendent of Schools

Date of Board Meeting

Board of Education President

Board of Education Clerk

Board of Education Vice President

Board of Education Member

Board of Education Member

Subscribed and sworn to before me on this _____ day of _____, _____.
My commission expires on _____ day of _____, 20____.

Notary Public

Affix Notary Seal

Attachment 2

Preliminary Agreement

(New School Only) Attach a copy of the preliminary agreement entered between the applicant and the sponsor of the proposed school. If the applicant does not have a preliminary agreement with a sponsor, please explain.

Attached is the Preliminary Agreement executed by sponsor, Ohio Council of Community Schools, and applicant, Ohio Digital Learning School, on December 12, 2018.

PRELIMINARY AGREEMENT

This preliminary agreement ("Agreement") is entered into by and between the Ohio Council of Community Schools ("Council"), an authorized sponsor under Chapter 3314 of the Ohio Revised Code, and Ohio Digital Learning School ("Corporation"), a corporation established under Chapter 1702 of the Ohio Revised Code. The Council and the Corporation have both considered and approved resolutions authorizing the execution of this Agreement.

The Council agrees to enter into good faith negotiations with the Corporation toward the potential approval and execution of a charter contract, in accordance with the Ohio Revised Code. The Corporation agrees to ensure the establishment or continuance of a governing authority, finalize plans for the school, ensure compliance with all statutes and requirements of community schools in Ohio, and negotiate a charter contract, each in accordance with Chapter 3314 of the Ohio Revised Code.

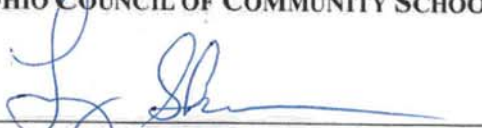
This Agreement manifests only the intent of the parties to continue negotiating a charter contract and is not a guarantee, implied or direct, of the execution of a charter contract. Any final, binding terms agreed to between the parties will be included in a charter contract, separately negotiated, authorized, and executed, to which the parties must agree, in accordance with Chapter 3314 of the Ohio Revised Code. In the event a charter contract is not executed, both parties agree that neither has been materially harmed by the other.

The term of this Agreement shall begin as of the execution date indicated below and will expire upon any of the following:

- the effective date of a charter contract;
- notification from one party to the other that official action has been taken to cease efforts to negotiate a charter contract; or,
- June 30, 2020.

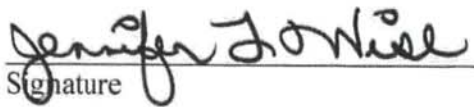
Executed this date 12 Dec 2018.

OHIO COUNCIL OF COMMUNITY SCHOOLS



Lenny Schafer, M.Ed.
Executive Director

OHIO DIGITAL LEARNING SCHOOL



Signature

Jennifer L Wise

Printed Name

Attachment 3

Proposed School Information

1. Please describe the proposed internet-based or computer-based community school, being sure to address these items:
 - Reasons applicant believes Ohio would benefit from an additional internet-based or computer-based community school;
 - Community and student population (demographics, ages, and grade levels) school intends to serve;
 - Enrollment area (specific counties in Ohio);
 - Education plan and curriculum intended for each core content area and grade level that complies with the standards developed by the international association for K-12 online learning;
 - Expectations of academic performance, including academic achievement status or proficiency, academic growth, postsecondary readiness and expectations for mission-specific performance measures; and,
 - Expectations of any nonacademic school or student goals to which the school will hold itself accountable.

Reasons applicant believes Ohio would benefit from an additional internet-based or computer-based community school

The Ohio Digital Learning School (ODLS) will be a new statewide virtual school with a Dropout Prevention and Recovery (DOPR) school designation, serving students across the state of Ohio. As a statewide school, we expect the demographics of ODLS to be similar to those of the state as a whole. The School intends to specifically serve students ages 16-21 years old who have fallen behind in expected high school credits, have had gaps in completing high school, or need an education alternative due to crises that significantly interfere with their academic progress for a variety of reasons. ODLS will provide career path planning, including an Individual Career Plan for each student, and career path curriculum resulting in a high school diploma and preparation for future success in college and life.

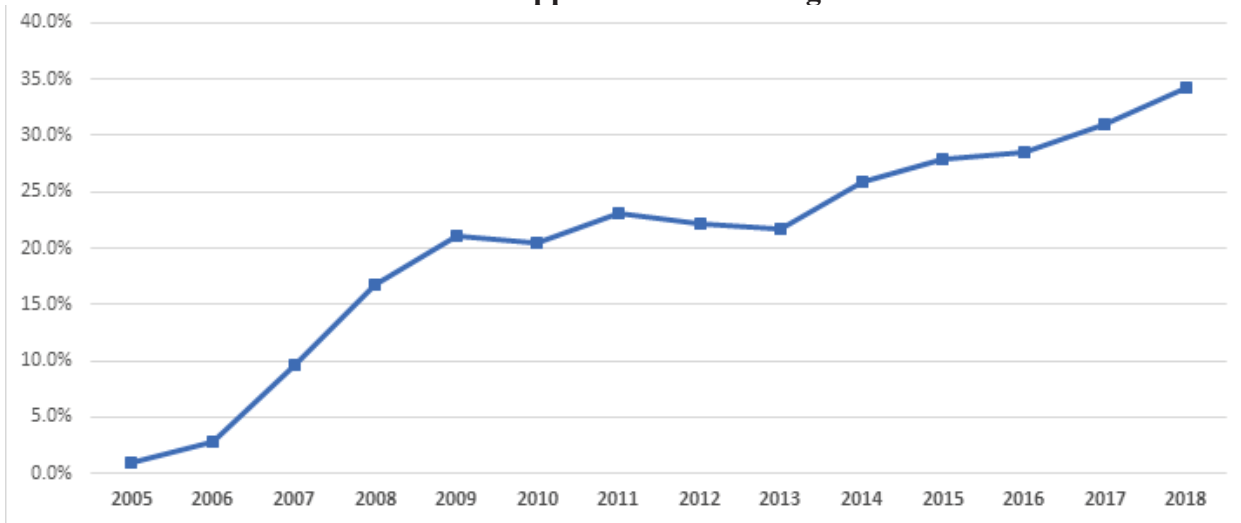
This new school is proposed to satisfy a need which is currently being unmet in Ohio. In October 2018, the Ohio Department of Education (ODE) reported there were a total of 70 DOPR schools in the state, sixteen fewer than in SY2016-2017.¹ Of those 70 schools, only nine were E-Schools. Of those nine, only three were statewide E-Schools able to enroll students from all parts of Ohio. Of those three, only two received an overall rating of “Meets Standards” measured by separate ratings on (1) cumulative high

¹Directory of Community Schools, Sponsors and Operators'. *Dropout Prevention and Recovery Schools*, accessed 10 January 2019, <http://education.ohio.gov/Topics/Community-Schools/Directory-of-Community-Schools-Sponsors-and-Operat>.

school test passage rate; (2) closing gaps in academic achievement in English language arts, math, and graduation; (3) four-, five-, six-, seven-, and eight-year graduate rates; and (4) school’s average progress for its students in math and reading. The third statewide E-school received an overall rating of “Does Not Meet Standards”. More generally, per the most recent ODE Annual Report on Community Schools (2016-2017), 31% of all the Dropout Recovery Community Schools received an overall rating of “Does Not Meet Standards”. Based on proposed State Board of Education rules, these standards may be more rigorous going forward which will present an even bigger challenge for the existing DOPR schools to meet standards.

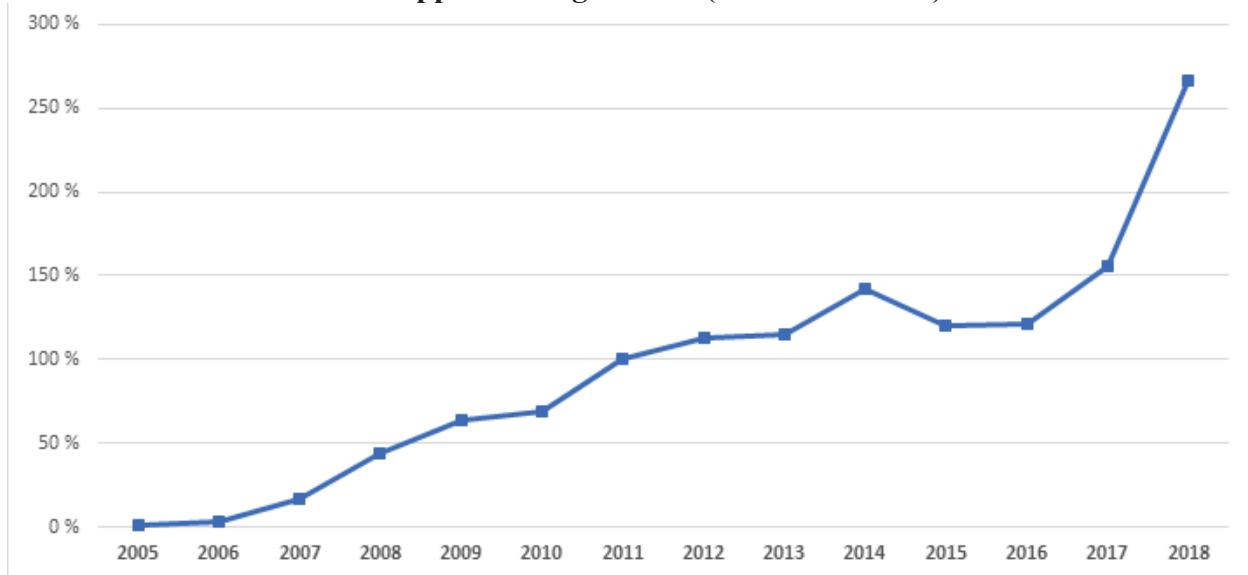
The need for ODLS is also demonstrated by the number of Ohio families who have directly contacted K12 Inc., the parent company of the School’s proposed management partner, to express their interest in virtual education for their children who are credit deficient and/or need an alternative school model to suit their individual circumstances. K12 is seeing a recent, sustained increase in the volume of application activity particularly for students ages 16-21 years old in the state of Ohio. For example, in April of 2018, K12 received 258 enrollment applications from students ages 16-21, up +25% year-over-year and up +56% from two years ago. The proportion of applications received from students ages 16-21 from October 2017 through September 2018 has steadily increased, reaching nearly 35%, as shown in the graph below:

% of Applicants who are Age 16-21



The 2017 volume of K12 Ohio schools’ applications from students ages 16-21 is about 150% of the volume of applications received for the same age group in 2011, the baseline year. The spike in 2018 was largely due to the closure of the Electronic Classroom of Tomorrow (ECOT).

% of Applicants Ages 16-21 (baseline of 2011)



Historically, 35-40% of these Ohio applicants have chosen a school focused on students needing credit recovery and additional education support to graduate. With the recent closure of those types of programs in Ohio, the needs of these applicants (totaling over 7,500 students in the past five years) is now going unmet.

Community and student population (demographics, ages, and grade levels) school intends to serve

Prior to developing student enrollment projections, it is important to measure what interest exists in an online school program. This can be achieved through analysis of individuals that have expressed interest in online school products and services and/or by surveying prospective families that might be interested in the specific proposed school model (at-risk, in this case) via email. Please see the preceding Needs Assessment Section A for a detailed description of the interest that exists in Ohio for enrolling in a school like ODLS.

Growth expectations during a 5-year period have been developed taking the Needs Assessment data into consideration, along with factors such as observed trends in consumer demand, competitive environment, general acceptance of school choice, and/or the sponsor’s expectations for school growth. The projections also reflect the growth of virtual charter schools in the state as well as in similar states that have virtual schools. The rate of enrollment growth each year the School is in operation is based on historical trends in similar virtual charter schools, the highest growth rates being in the first years of operation and gradually decreasing growth rates as the School has been in operation for a few years.

Following are the enrollment projections for ODLS:

Year	Grade Levels	Enrollment Projection
2019-2020	9-12	1,000
2020-2021	9-12	1,250
2021-2022	9-12	1,562
2022-2023	9-12	1,952
2023-2024	9-12	2,440

Enrollment Area

ODLS will be a new statewide virtual school with a DOPR school designation, serving students between the ages of 16 and 21 who reside in Ohio.

Education plan and curriculum intended for each core content area and grade level that complies with the standards developed by the international association for K-12 online learning

ODLS' proposed management partner is K12 Virtual Schools LLC, a subsidiary of K12 Inc. K12 has invested significant resources in the past few years to modify and improve its online learning model to support at-risk students. It continues to refine this model as it implements similar programs at schools across the country.

ODLS will offer students a fresh educational start through a full-service learning model designed around individualized instruction, high-quality curriculum, student-focused support initiatives, and a commitment to ensuring each and every student reaches his or her true potential in accordance with the State's academic standards as required in ORC 3301.079.

Education Plan

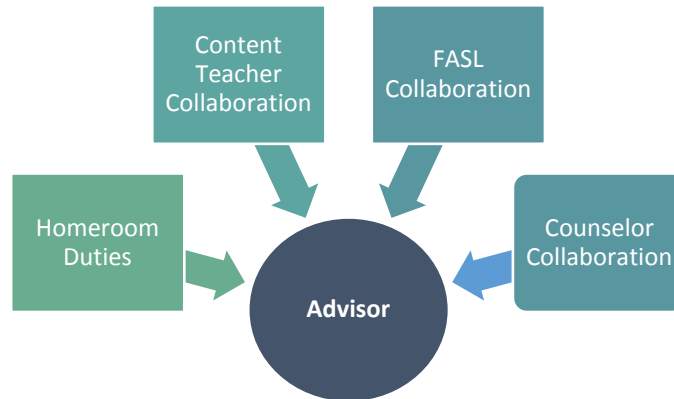
Instructional Program

With the full-service school model provided by our partner, K12, ODLS will offer an effective public education that meets the unique needs of its students and families. ODLS will distinguish itself from other existing virtual high schools in Ohio because it will focus on delivering an alternative choice for students between the ages 16 – 21 entering the School at least one grade level behind their cohort age groups and/or having experienced crises that significantly interfere with their academic progress such that they are prevented from continuing their traditional programs. Knowing that all students do not learn in the same way, the School will provide a new and innovative model that may be a better fit for certain students, many of whom have fallen behind long before high school and most likely have given up on the goal of graduation. ODLS understands that individual students and families should have access to an array of high quality public education options. It will be recognized as a student-centered school, looking at each student as an individual and matching teaching methods to individual learning styles and student performance.

As required for a DOPR school by ORC 3314.36(A)(4), ODLS will develop an Individual Career Plan for each student including a Graduation Plan that specifies the student's matriculation to a two-year degree program, acquiring a business and industry credential or entering an apprenticeship. The Career Plan will be aligned to the career advising policies established by the Board. Career Plans will be developed for each student soon after enrollment then reviewed and updated as needed once per semester. The Advisor and Guidance Counselor team will provide career counseling and graduation planning and support for the student related to the Individual Career Plan. They will closely monitor credit deficiencies and acquisitions throughout the student's enrollment to ensure that the goals of the Individual Career Plan are met.

Advisor Model

The School will assign each student an Advisor who knows the student, serves as the student and Learning Coach's first point of contact for holistic academic oversight, and helps guide the student through the digital experience. The Learning Coach is usually the student's parent or another responsible adult. The role of the Learning Coach is described below.



The Advisor manages the homeroom duties for a group of students and works closely with content teachers to monitor the overall progress of the student. The teacher and Advisor have the benefit of focusing their efforts on one role and administrators are able to tailor professional development, staff meetings, and professional learning communities to the needs of their respective roles.

Critical duties such as welcoming students, providing consistent communication and contact, and overseeing each student’s academic progress and engagement are carried out by one person for each student. Students are assigned to advisor groups in a way that best meets the needs of the student (e.g., grade level, multi-grade level with family groupings, looping, cohort, etc.). All teachers assigned to the student will communicate engagement concerns to the Advisor. In addition to providing critical duties, the Advisor is primarily responsible for reporting any engagement concerns to the Family Academic Support Lead (FASL), a member of the Family Academic Support Team whose role is described below. The goal of the team is to support students who may not meet academic goals for a variety of non-academic reasons—social, emotional, medical, and otherwise.

Additionally, each student shall be assigned at least one teacher of record who shall be primarily responsible for the academic development and achievement of the student. This teacher will visit with the student at various regional and statewide events and school-sponsored gatherings throughout the year, pursuant to ORC 3314.21.

Instructional Framework

K12’s instructional model combines online technology with traditional instruction and materials. State licensed teachers provide both synchronous instruction (when the student and the teachers are online together) and asynchronous instruction (when the student is working more independently off-line). Teachers support students and work in conjunction with Learning Coaches to ensure student success.

Students will have one subject-specific teacher for each subject studied. The teacher will be responsible for conducting online sessions and discussions, holding office hours, validating student attendance and course activity, curricular mastery, setting and grading assignments, providing instructional feedback, and assigning course grades through the proprietary K12 learning management system called the Online High School. This approach will allow the parent or guardian to focus on serving as a Learning Coach and guide to her/his student to help them achieve academic excellence.

On a daily basis, parents and students will have access to the Online High School, which provides real time data on student achievement and progress related to course assignments and assessments and

engagement data. Students and teachers will have “landing pages” that help them to easily stay on top of what is important for them each day. Students can view their schedules across all courses in one view, including their live synchronous sessions. Teachers will create and manage the daily plans of students to ensure adequate pacing and progress through course activities.

ODLS welcomes the opportunity to serve students with disabilities. The founders believe strongly that all students have strengths and weaknesses that must be recognized and accommodated in order to reach their full potential as contributing members of society.

ODLS will work to accommodate students with all disabilities who are using the K12 web-based courses in a distance learning setting. ODLS will offer necessary accommodations by procuring the technology and other services required in the student’s Individualized Education Program (IEP) to aid students in navigating through their courses. Further, K12’s experience making web-based content more accessible to students with disabilities includes incorporating audio and video enhancements into the courses and using equivalent alternatives to accommodate various disabilities, such as using text equivalents and various forms of assistive technology. All materials meet the requirements of the National Instructional Materials Accessibility Standards (NIMAS).

Role of a Learning Coach

Learning Coaches are usually the student's parent or another responsible adult who is dedicated to making sure their child receives a quality education. A Learning Coach supports the student in the learning process while they are enrolled in the School. They are responsible for ensuring their student is on track with assignments and coursework as well as communicating with their teachers throughout the school year. Learning Coaches play an active role. Learning Coaches are not required to be fluent in English. In those cases where Learning Coach involvement in the learning process is not available to students, ODLS will provide the needed advocacy, progress monitoring, content, and other support from the School’s teaching and support staff and community members. The typical time commitment for a Learning Coach varies but is generally 1-2 hours/day for high school students.

The K12 program is set up to help parents succeed in their role through extensive support features, such as lesson guides, tools, videos, and opportunities to talk with other parents of current students. An array of these tools can be found on the K12 website: <https://www.k12.com/discover-more/parent-activities-support.html>.

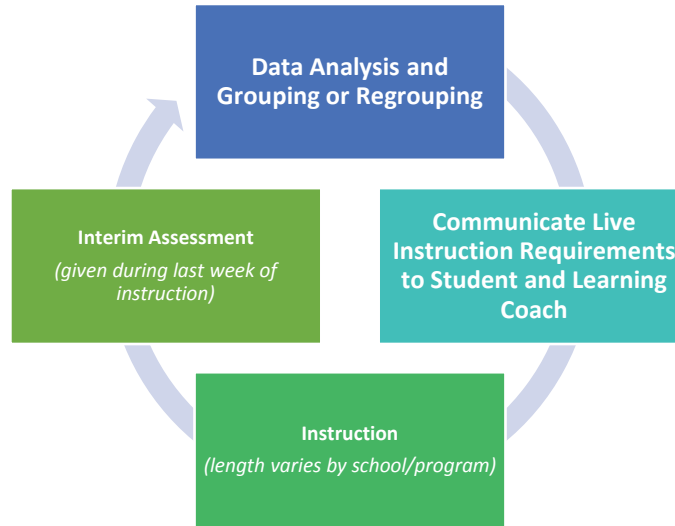
Synchronous Instruction

Synchronous instruction is an essential component of the School’s instructional model. Teachers provide direct instruction and support in “Class Connect” sessions using Blackboard Collaborate, a web-based conferencing platform. Students will attend Class Connect sessions by logging on to Blackboard Collaborate, using chat, an interactive whiteboard, Voice-Over IP (VOIP), and other features to further explore and engage in lesson topics synchronously with teachers and fellow students.

The frequency and objective(s) of synchronous instruction are based on the specific needs of students, Ohio Learning Standards, and the School’s model. ODLS will establish a synchronous instructional cycle; a predetermined cycle of time for targeted and general instruction determined by student data that allows students to be grouped by instructional need. Prior to each instructional cycle, teachers and academic leaders will collaborate to analyze student performance data in core content areas. Based on this analysis, students are assigned to the appropriate synchronous “Class Connect” sessions, which include targeted instruction for students that do not demonstrate proficiency in grade level standards and

objectives. The frequency and duration of required synchronous instructional sessions is dependent on each student's academic needs.

A formative interim assessment will be given during the last week of each instructional cycle. In the week following an instructional cycle, teachers and academic leaders work collaboratively to analyze data and regroup students for the next instructional cycle. The entire instructional cycle (instruction, assessment, data analysis/student grouping, and student/parent communication of requirements) generally lasts 6-8 weeks with one week between cycles set aside for teachers and academic leaders to evaluate data and regroup students.



As part of a comprehensive instructional model, the School will establish a Response to Intervention (RTI) multi-tier approach to the early identification and support of student learning. The model is used to efficiently differentiate instruction for all students and incorporates increasing rigor in instruction, offering specific, research-based interventions matched to student needs. Throughout the RTI process, student progress is monitored frequently during instruction to examine student achievement and gauge the effectiveness of the instruction. Struggling learners are provided with interventions at increasing levels of intensity to accelerate their rate of learning. Decisions about the intensity and duration of interventions are based on individual student response to instruction and integrated as part of the instructional cycles.

Synchronous instruction will be an essential component of ODLS' instructional model. Teachers will be able to interact and build relationships with students, assess skill level and provide individualized instruction to meet the academic needs of each student. Below is a list of some of the uses of synchronous instruction:

- Standards based synchronous instruction for both large and small groups
- Synchronous instruction using the K12 curriculum lessons
- Remediation for small groups based on assessment data
- Support/Remediation for individual students based on assessment data
- Enrichment for accelerated learners
- General office hours and drop-in tutoring
- Skill assessments
- Test taking skills and practice questions for state testing

- Classroom/Community building activities
- Science experiments
- Student and/or group projects
- Book clubs
- Literature circles
- Writing workshops

Asynchronous Instruction

K12 courses meet a wide variety of student learning preferences and follow well-researched and proven instructional methods. Learning Coaches monitor student performance and progress in courses. Teachers, students, and Learning Coaches collaborate and meet to ensure the success of every student. Using the K12 Online High School platform, teachers can provide asynchronous instructional and assessment materials directly inside the online course itself. Teachers have a significant level of control over the delivery of and access to online course activities. Teachers can assign release conditions to course content and activities to control when and if a student is provided that content or activity. Release conditions can be customized to be triggered by specific student behaviors and performance in the course which provides a powerful tool for the differentiation of asynchronous instruction. An example of a release condition is the teacher setting up a unit exam that can only be accessed by students in the course who have completed the coursework and/or mastered the content for that unit.

Teachers can also employ audio and video to create a sense of teacher presence in courses and utilize online discussions to develop communities of learning within their courses.

Teacher Professional Development

In order to monitor and support teachers as they implement the instructional programming, the Board will contract with K12 to provide a robust professional development program as it pertains to virtual learning and associated best practices. The School will provide professional development based on the School's mission, culture, student data analysis, and state required annual professional development for all teachers and other staff. Professional development will be a year-long pursuit focused on providing teachers with the skills and competencies required to meet the needs of students and their families. Each teacher will have an Individual Development Plan that is a combination of required professional development as deemed appropriate by their tenure or as identified by an administrator as an area where development is needed, and other optional offerings particular to their areas of interest.

During a teacher's first year, K12 will provide new teachers with Virtual New Staff Training, Virtual New Staff Support Program, a mentor, and an Instructional Coach for math and English language arts teachers. Returning teachers will receive refresher training through the Virtual Returning Teacher Training, Virtual Returning Teacher Support Program, and one-on-one instructional coaching. Both new and returning teachers will also be provided with monthly professional development opportunities through K12.

Orientation and Ongoing Support

To ensure that students are properly oriented to and prepared for the online learning environment, students and families will complete a week long program "*Strong Start*" that will act as a kickoff or orientation week for students including tutorials about the learning management system (Online High School), school policy, and tips to optimize their online learning experience in order to be successful online learners. Strong Start will give teachers and other staff members an opportunity to gain important information about student learning styles and communication skills and to build trusting relationships

with students. During Strong Start, which is conducted online, and during subsequent sessions, teachers will evaluate student work; develop progress reports; collect student attendance records; make placement and promotion decisions; encourage and motivate students; help students with remediation or enrichment; develop opportunities for parental involvement; participate in regular professional development sessions led by school administrators; modify lessons to fit students' unique learning needs; and organize activities such as school outings, clubs, and events.

The Social Emotional Learning program (utilizing programs such as 7 Mindsets or AVID) will ensure students are ready to learn by increasing their self-confidence, resilience, and interpersonal skills. During the school year, students will complete weekly Leadership Advisory sessions facilitated by a specially trained teacher. Through the program, students grow in five key social and emotional areas necessary for thriving in school and life: self-awareness, self-management, social awareness, relationship building, and responsible decision-making.

The Family Academic Support Team will help eliminate the barriers and risk factors that make students vulnerable to falling behind in classes, failing classes or dropping out. With an on-going responsibility to build relationships outside of the School, the team advocates for local and national resources to give students access to necessary community opportunities and social services. The goal is to build within the School an infrastructure of support, before needs arise, for anything that may jeopardize a student's education, such as medical challenges, domestic issues, legal trouble, or even computer and Internet problems. This team will consist of a Family Resource Coordinator (social worker), Family Academic Support Liaisons (advisors with individual caseloads), Family Engagement Coordinator (individual who plans activities and community events – this position will be added after Year 1) and a Compliance Liaison (truancy intervention specialist).

Curriculum

K12 provides a rich, research-based curriculum that has been proven to deliver strong student achievement and growth. The program is designed to meet the needs of ODLS' diverse student population by integrating multiple assessment tools, cognitive learning strategies, and instructional supports. The pedagogical approach incorporates development of a research-based curriculum with built-in cognitive science-based learning strategies and a design that anticipates and assesses for common misconceptions that interfere with student learning and progress.

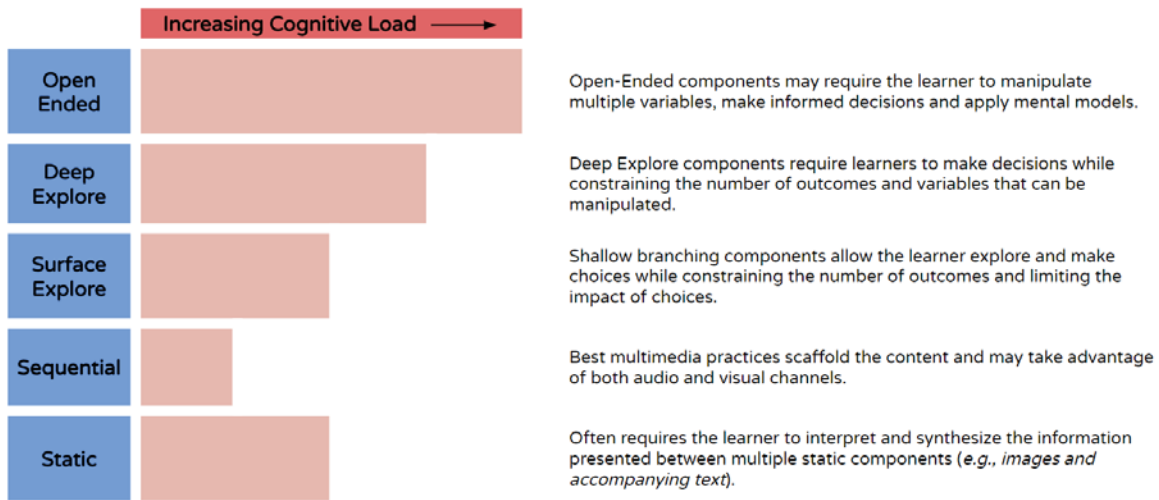
Several types of multimedia are standard in the K12 curriculum and used strategically to engage different learning intelligences, particularly visual and kinesthetic learners who are often harder to engage through traditional teaching methods:

- *Audio*: maximize the learner's ability to process information without being overwhelmed by visuals
- *Photographs/illustrations*: help represent, organize, and interpret the content
- *Interactive activities*: used to segment content, personalize learning, promote agency in learning, and offer opportunity to engage in activities incrementally increasing in cognitive difficulty (See Interactive Framework, below)
- *Technology-Enhanced Item types*: offer students opportunity to demonstrate varying depths of knowledge mimicking high-stakes testing demands
- *Animations/Videos*: used as concrete modeling of behavioral learning objectives, hooks to introduce real-world applications, and brings instruction to life

Enhancements to the K12 curriculum have introduced an interactive framework designed to fully reap the benefits of online learning. To achieve this, direct instruction and practice activities must do more than present students with text on a screen. New courses are carefully designed to match interactivity level to the cognitive level of the task at hand, based on research-backed principles of cognitive science.

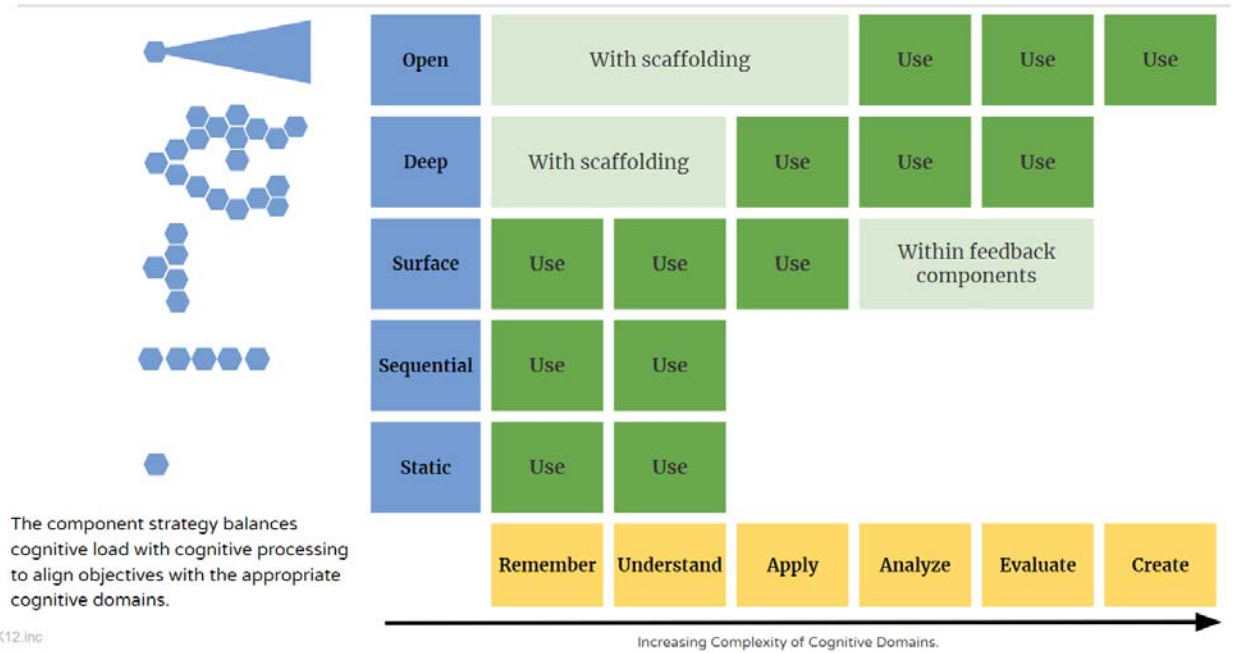
Component Classes vs. Cognitive Load

The number of outcomes and variables presented by a component affect the potential cognitive load on the learner.



Based on: Clark, Ruth. C., Mayer, Richard. E. (2003). *E-Learning and the science of instruction: proven guidelines for consumers and designers of multimedia learning*. Jossey-Bass/Pfeiffer Edition. ISBN: 0-7879-6051-0.

Component Strategy



K12 continues to invest in the high school curriculum to improve accessibility and interoperability with mobile devices. Most K12-produced textbooks, reference guides, literature readers, and lab manuals are now offered in a digital, online format (PDFs, eBooks) and are optimized for use with mobile devices. New content is developed following mobile-first development practices and support responsive design.

In addition to the online curriculum, the K12 curriculum provides students with interactive offline learning in a number of ways:

- Multiple ways to complete questions, self-assessments and study guides
- A variety of hands-on manipulatives and supplies to encourage investigation and make the course as much about offline learning as online learning
- Live web-based teacher-student interactions provide for 1:1 and/or group learning. These activities generate opportunities for student communication through remediation, practice, critical thinking, short projects, and more.

Curriculum Alignment

K12 will provide ODLS with proprietary and third-party curriculum, software systems, and educational services designed to meet the needs of its students and teachers. At the national level, the K12 Standards and Alignment team regularly meet requests from state and local partners for alignment documentation to state and national standards. For each standard at each grade level, alignment specialists identify where in the K12 curriculum the concepts are addressed and note specific units and lessons where students learn or demonstrate an understanding of the skills and knowledge required by Ohio's Learning Standards, including the Common Core State Standards (CCSS).

The K12 curriculum aligns to the CCSS, the Next Generation Science Standards (NGSS), and the iNACOL National Standards for Quality Online Courses. K12 has had a long-time association with the International Association for K-12 Online Learning (iNACOL). Based on wide recognition of the high quality of K12's online programs, courses, and teaching, over several years K12 staff have served on iNACOL committees that have developed and updated iNACOL standards that are guidelines used by K12 managed schools and other organizations implementing online learning with the goal "to ensure a high-quality education for all students." Most recently, many K12 team members from corporate, regional, and school levels have been involved in the current revisions of all iNACOL standards.

Curriculum Development

The curriculum development process at K12 includes a matrix that integrates standards from across the country. This standards matrix is complemented by research into the content recommended by the Core Knowledge Foundation, whose work has influenced the CCSS. The result was that K12 created what was, in effect, a prototype Common Core-based curriculum which meant that the alignment of K12 courses required relatively minor changes to align to the CCSS published in 2010. As of November 2012, all CCSS at the national level have been addressed in the K12-brand English language arts and Mathematics courses.

K12 actively monitors each state's review and adoption of the NGSS and understands that Ohio reviews the NGSS document to identify related resources and strategies that schools can use to support Ohio's Learning Standards in Science. K12 is following the implementation of the new Ohio science standards as the company updates its science curriculum. K12's science courses embrace elements of NGSS, including deep scaffolding, both from lesson to lesson and year to year; scientific text literacy, and an

emphasis on real world applications. K12 is committed to a world-class education for students, and welcomes Ohio's Learning Standards, as well as the CCSS and the NGSS as measures of its success.

At the School level, school leaders and teachers will review curriculum, assessments, and supplemental materials each year, or upon a change in state standards and/or assessments, to ensure standards alignment and ability to differentiate instruction and assessment. This includes instructional mapping, which is a process for collecting and planning instruction using curriculum related data that identify core skills, processes employed, and priority standards for each subject area and grade level. Modifications will be made throughout the year as determined by the School leaders and teachers as necessary.

In the 2016-2017 school year, K12 launched the "Summit Curriculum" for students in grades 6 through 11 in all Math and some English language arts courses. Summit courses are standards-based and provide enhanced features to further support students and teachers. In many Summit courses, students are automatically assigned differentiated content based on the results of a Learner Readiness Assessment at the start of each semester. Built-in interim assessments allow teachers to employ data-driven instruction through the use of enhanced Summit assessment reporting based on state standards. The result is a course that makes it easier than ever to differentiate instruction for students, while increasing visibility into student readiness for high stakes state testing. K12 has since undertaken a multi-year effort to incorporate key aspects of the Summit experience into upgraded and new courses, integrating more interactive features built in the latest technologies. This iterative plan has upgrades scheduled every year to continually improve courses and technology.

Curriculum Offerings

ODLS will offer all Ohio core and elective subjects for its students to meet the required 20 credits for graduation, including economics and financial literacy and at least two semesters of fine arts. Additionally, ODLS embraces the provision of pathways for its students. As a school focused on dropout prevention, ODLS will emphasize pathways leading to industry credentials and workforce readiness, while still providing pathways via Ohio's state tests or college and career readiness tests.

The K12 curriculum provides two kinds of courses for struggling students, "at risk" students, and students who have not successfully completed courses required for graduation:

- Remediation courses: These courses are designed to bring students up to grade level in math and English—guiding them through the skills and knowledge needed for success. Remediation courses evaluate students' current knowledge and provide the instruction needed for them to successfully continue their studies at a high school level.
- Credit recovery courses: These courses allow students to gain credit for courses they have previously taken and not completed successfully. They include diagnostic unit tests assessing students' understanding of fundamental content and direct them to review or move ahead accordingly. Designed to provide flexibility in delivering teacher support, these courses include computer-graded assignments and assessments.

Expectations of academic performance, including academic achievement status or proficiency, academic growth, postsecondary readiness and expectations for mission-specific performance measures

As a Dropout Prevention and Recovery (DOPR) School, ODLS expects that the majority of its students will enter the School with significant credit deficiencies; at least one grade level behind their cohort age groups. ODLS understands that many of its students will have time constraints due to jobs and families and expects that the online nature of the program will help offset some time constraints, and support services of the School will help students who are struggling academically. ODLS will use the K12 curriculum which has consistently demonstrated that the longer a student is enrolled in a K12 school, the better that student performs. Given this, ODLS expects that students entering ODLS at the age of 16, or in grade 9 will perform better overall than those students who enter later in high school, or at a higher age.

Expectations of Academic Performance: Achievement, Growth, and Postsecondary Readiness

ODLS expects its students to meet or exceed standards as outlined in OAC 3301-102-10 and OAC 3301-102-11*:

Metric	Measure	Minimum Goal
Graduation Rate	4-year student graduation cohort	8%
	5- 6- 7- and 8- year student graduation cohort	12%
High school test passage rate	The passage rate for twelfth-grade students or by the time they are within 2 months of turning age 22 who have attained a score of 3 or higher on all end of course state tests that are required for graduation.	32%
Progress	The School’s progress for its students in math and reading using the NWEA Measure of Academic Performance (MAP) assessment in grade 9 – 12. Students will be tested, once in the fall and once in the spring.	A composite gain score of less than two standard errors of measure above the mean score
Gap Closing	Measured by annual measurable objectives compare school performance for up to 10 student groups in reading, math and graduation to state performance for all students, assigning a rating for efforts to close achievement gaps in all applicable groups.	1%

* ODLS is aware that revisions to the Ohio Administrative Code 3301-102-10, 11 and 12 are under consideration at the time of submitting the application to ODE. ODLS will monitor that process and comply as required with new provisions when they are adopted.

Beyond meeting the required composite score, the NWEA MAP assessment will also be used at ODLS to measure year over year growth of ODLS’ students. As mentioned above, the K12 curriculum has proven to be most effective for students who persistently stay in the program, therefore year over year growth is a goal and strong indicator of individual student success.

ODLS will offer students a fresh educational start through a full-service learning model designed around individualized instruction, high-quality curriculum, student-focused support initiatives, and a

commitment to ensuring each and every student reaches his or her true potential in accordance with the state's academic standards as required in ORC 3301.079.

As required for a DOPR school by OAC 3301-102-10, ODLS will develop an Individual Career Plan for each student including a Graduation Plan that specifies the student's matriculation to a two-year degree program, acquiring a business and industry credential, or entering an apprenticeship. The Career Plan will be aligned to the career advising policies established by the Board. Career Plans will be developed for each student soon after enrollment then reviewed and updated as needed once per semester. The Advisor and Guidance Counselor team will provide career counseling and graduation planning and support for the student related to the Individual Career Plan. They will closely monitor credit deficiencies and acquisitions throughout the student's enrollment to ensure that the goals of the Individual Career Plan are met.

Mission Specific Performance

Accomplishing the School's mission will be measured by student attainment of the fixed and comparable measures from SMART goals in credit acquisition as measured by course passing rates, attendance rates, graduation rates, Individual Career Plan implementation, and individual student academic growth as measured by the NWEA MAP assessments.

- By June 30 of each contract year, each 9th-12th grade student will attend 83% of expected time each year as demonstrated by individual student attendance rates.
- The School attendance rate, as measured by percent of expected time, will increase by 2% in year 1, 2% in year 2, and 1% in year 3 or charter contract as demonstrated by schoolwide attendance rate.
- By June 30 of each contract year, each 9-12th grade student will pass 70% of assigned courses as evidenced by course passing rates.
- The School passing rate of assigned courses will increase by 2% in year 1, 2% in year 2 and 1% in year 3 of the charter contract as evidenced by schoolwide passing rate.
- The 4th, 5th, 6th, 7th and 8th year graduation rates will meet the statewide drop-out prevention and recovery schools' average rate in the applicable year.
- Graduating students at ODLS who choose the Ohio State Test graduation pathway will earn at least 18 points on the seven end-of-course state assessments and students who choose the College and Career Readiness pathway will earn remediation-free scores in mathematics and English language arts on either the ACT or SAT.
- By the end of each NWEA MAP testing period as defined by Ohio Department of Education, 75% of enrolled ODLS students will complete the Reading and Math MAP assessments.
- By the second month of school enrollment, 100% of ODLS students will have an Individual Career Plan that will be reviewed twice annually by June 30 of school year.
- By June 30 of each contract year, the total number of grades 9-12 students who are proficient in core subject areas of math, science, English language arts, and social studies will increase by at

least 25% as demonstrated by grade-level standards-based assessments, NWEA MAP, and/or state tests.

- By June 30 of each contract year, 80% or more students in grades 9-12 below grade level will make a minimum of 1.25 years growth as demonstrated by progress measures on NWEA MAP and/or state tests.
- By June 30 of each contract year, 80% or more students in grades 9-12 at or above grade level will make a minimum of 1 year growth as demonstrated by progress measures on NWEA MAP and/or state tests.

Intentional analysis of progress towards the mission-specific goals will be a part of the School’s culture. K12 provides and regularly monitors a variety of student-level data. The data will be provided and analyzed at different levels of the School’s organization.

The School’s administration, teachers, and the Family Academic Support Team will closely monitor student attendance in synchronous sessions, student progress, and achievement in individual course assessments, NWEA MAP performance levels and growth by grade level, credit acquisition, and student attendance in relation to expected percent of time. This information, along with enrollment and withdrawal numbers, student demographics, special education populations, graduation year cohorts, ethnicity balance, and family and teacher satisfaction survey results will be reported as available by the School’s administrative staff to the Board. The Board will, pursuant to the charter contract, report these findings to the sponsor and ODE, as applicable.

- **expectations of any non-academic school or student goals to which school will hold itself accountable**

In addition to academic goals, the Ohio Digital Learning School will also establish non-academic goals in the following areas that impact academic goals.

Focus Area	Goal
Teacher Satisfaction	Based on initial school year data, the school will demonstrate year over year growth on teacher pulse check surveys as a key stakeholder.
Parent Satisfaction	Based on initial school year data, the school will demonstrate year over year growth on parent pulse check surveys as a key stakeholder.
Student Engagement	The school will establish and meet course log-in and attendance goals as measures of student engagement.
Compliance Goals	Beginning in year one, the school will meet all required state compliance and reporting goals.
Internal Controls	By year one, ODLS will have developed strong internal controls that will include annual staff performance review methods; physical control of school assets; policies for segregation of financial duties; and document control and authority policies.
System of Student non-Academic Supports	ODLS will provide additional support to students who are struggling to meet academic goals for a variety of non-academic reasons—social, emotional, medical, and otherwise - by providing a Family Academic Support Team

Attachment 4

Sponsor Information (List of Schools)

1. Identify all internet-based or computer-based schools overseen by the sponsor. For each of the sponsor's internet-based or computer-based community schools, provide the following:
 - Name and unique school identifier of each internet-based or computer-based community school (in Ohio, the IRN is the unique school identifier).
 - Calendar years for which the sponsor provided monitoring and technical assistance for each internet-based or computer-based community school.

Unique School Identifier	School Name	First Calendar Year of Sponsorship	Most Recent Calendar Year of Sponsorship	Total Years of Sponsorship
143396	Alternative Education Academy	2003	2019	16
142950	Ohio Virtual Academy	2003	2019	16
000236	Ohio Connections Academy	2003	2019	16
014136	Mosaica Online of Ohio	2013	2015	2
014148	Provost Academy Ohio	2013	2017	4
	Great River Connections Academy	2018	2018	<1

Attachment 5

Sponsor's Experience with Online Schools

- 1. Describe the sponsor's experience with internet-based or computer-based community schools. Please indicate the number of internet-based or computer-based community schools the sponsors has provided monitoring and technical assistance to since the inception of such activities.**

Since its inception in 2003 as the sponsoring designee for the University of Toledo's Board of Trustees, the Ohio Council of Community Schools (Council) has been overseeing, monitoring, and providing technical assistance to virtual schools in Ohio. As indicated above, the Council immediately began working with two existing virtual schools, Alternative Education Academy (AEA) and Ohio Virtual Academy (OHVA), and began the new school development process with a third, Ohio Connections Academy (OCA). About ten years after that, the Council and the University of Toledo partnered with and began the new school development process with two new virtual schools, Mosaica Online of Ohio and Provost Academy Ohio, which opened in the fall 2013. Most recently OCCS partnered with Great River Connections Academy (GRCA) which was the first eSchool in Ohio approved since 2013.

In terms of financial performance, and legal compliance, AEA, OCA, and OHVA have consistently exceeded the Council's standards. Over the years, the processes and protocols developed by the Council, in conjunction with the three partners, have ensured compliance and driven operational effectiveness and improvement. These protocols may be seen in action when looking at OCA and OHVA having over 97% attendance as calculated for the FY2017 FTE review.

In terms of academic performance, OCA and OHVA are consistently two of the highest performing virtual schools in Ohio. Additionally, the Council sponsors the only statewide virtual school to have been rated Excellent on the Local Report Card and been the recipient of the Ohio Department of Education's Momentum Award.

- 2. Describe the sponsor's assessment of the degree to which its sponsored internet-based or computer-based schools meet the operating standards for online schools, and comply with all applicable laws and rules. If applicable, describe the specific steps taken to correct each internet-based or computer-based school's compliance with applicable laws and rules in the two most recent evaluation cycles.**

The Council ensures its sponsored schools meet the operating standards for virtual schools and comply with applicable laws and rules in a variety of ways.

In terms of meeting the iNACOL National Standards for Quality Online Programs, the Council's partner schools have generally implemented practices that would score it as "Accomplished" or in some cases as "Promising." The Council's processes and protocols for compliance and oversight drive the necessary conversations to begin implementing initiatives to constantly improve the underlying idea behind each of the iNACOL standards.

In terms of complying with applicable rules and laws, the Council's compliance and oversight protocols set out the annual timeline for completing the hundreds of legally- and contractually-required compliance items. Looking back over the past several years, the Council's partner schools have been compliant with applicable rules and laws. This assessment on a school's compliance is outlined in the Council's annual report to ODE.

The standard for determining whether or not a school has met expectations in terms of compliance is based on a combination of its adherence to state and federal statute, the community school contract, and compliance items from the sponsor evaluation. A school will have met expectations if it has a 100% compliance rate with health and safety requirements and at least 95% for all requirements.

In addition to the general compliance requirements, here are some examples of virtual school-specific requirements the Council monitors on a regular basis: enrollment limits; filtering device and software; orientation course is being conducted; school communication with parents, parent teacher conferences, etc.; access to student performance data; opportunities for teacher face-to-face visits; the school's process to track student learning time; the school's process and how they provide a testing location within a fifty mile radius of the student's residence; counseling, instructional coaching, and testing assistance within a fifty mile radius; adherence to its policy toward students who fail to participate in the state mandated testing for two consecutive years; how the school is tracking student attendance and student engagement; and, the annual plan for servicing students with disabilities.

- 3. Has the sponsor ever terminated or non-renewed sponsorship of an internet-based or computer-based school? Explain the circumstances leading to the decision to terminate the sponsorship for each internet-based or computer-based school. Describe the specific actions taken by the sponsor and the timeline for each action. If the sponsor had not terminated or non-renewed sponsorship with an internet-based or computer-based school, please describe what circumstances would lead the sponsor to the decision to terminate sponsorship and specific actions the sponsor will take including timeline for each action.**

As mentioned above, after going through the Council's in-depth new school development process and ODE's new virtual school application, two new virtual schools opened in the fall 2013, Mosaica Online of Ohio and Provost Academy Ohio.

From the beginning, both schools struggled with marketing and had a hard time breaking into the virtual school market due to the large online schools already present and operating in Ohio. As such, the schools' enrollments were significantly less than anticipated; Mosaica Online of Ohio's much more so than Provost Academy.

Throughout the 2013-2014 school year and over that summer, the Council oversaw the development of a plan by the governing authority and operator to increase enrollment throughout the year; however, Mosaica Online of Ohio was not able to increase their enrollment in any substantial way

and the long-term financial sustainability and success were in jeopardy. As such, the Council suspended operations of the school prior to the 2014-2015 school year. Over the next few months, as allowed by the Council, the governing authority, school, and the operator worked to develop a comprehensive plan to emerge from suspension and reopen for the 2015-2016 school year; however, in early 2015, it became clear that the school's plan to emerge from suspension was not going to be successful. As such, due to financial sustainability, enrollment, and leadership issues, the Council and governing authority mutually agreed to terminate the contract effective June 30, 2015.

Much like Mosaica Online of Ohio, Provost Academy Ohio had initial struggles with enrollment. The Council oversaw the development of a plan by the governing authority and operator to increase enrollment throughout the year and remain financially viable. Over the course of the next two years, the school's enrollment increased; however, the school could not adjust to Ohio's virtual school attendance reporting. Even though the school submitted a corrective action plan to the Council and received ample technical assistance and expertise, the school's attendance reporting process was out of compliance. As such, the school was required to repay a portion of the state funds it received.

Throughout the 2016-2017 school year, the Council and governing authority concluded that the school's long-term financial sustainability was adversely impacted by the school's inability to meet enrollment targets and a drop in enrollment. As such, due to financial sustainability and enrollment issues, the Council and governing authority mutually agreed to terminate the contract effective June 30, 2017.

Additionally, for both schools, the Council and governing authority worked collaboratively to ensure the closure of each school happened in a timely and orderly manner in accordance with the school closure guidance, including all files and records being transferred, assets being auctioned, audits completed, and financial books closed.

Attachment 6

Operator's Experience with Online Schools

1. Describe the operator's experience with internet- or computer-based community/public charter schools in the state of Ohio and outside the state of Ohio.

Our proposed operator, K12 Virtual Schools LLC, a subsidiary of K12 Inc., has the capabilities to support and manage virtual schools including Dropout Prevention and Recovery (DOPR) schools. K12 Inc. is a technology-based education company offering proprietary and third-party curriculum, software systems and educational services designed to facilitate individualized learning for students primarily in kindergarten through 12th grade. Their learning systems combine curriculum, instruction and related support services to create an individualized learning approach well-suited for online community schools. K12 Inc. is accredited by AdvancED, a non-profit international accreditation agency for schools, districts, education service agencies, postsecondary institutions, and corporations.

As an innovator in K-12 online education, K12 believes they have attained distinctive core competencies that allow them to meet the varied needs of their school customers and students. These core competencies include their ability to create engaging curriculum, train teachers in effective online instruction, provide turnkey management services including marketing and logistical systems to online schools, and develop innovative new offerings.

K12 continues to make significant capital investments intended to improve student academic outcomes, including the: (i) ongoing development and enhancement of their current and next generation curriculum and software; (ii) strengthening of their corporate and school infrastructure to increase data security, protect student privacy, and ensure compliance with evolving reporting and regulatory requirements; (iii) procurement and delivery of student computers; and (iv) conversion of interactive instructional products to enable delivery through tablets and mobile devices.

Online Community Schools in Ohio

K12 Inc. and its subsidiaries (K12 Ohio LLC and K12 Virtual Schools LLC) have managed the online community school, Ohio Virtual Academy (OHVA), in consecutive years from SY2002-2003 (the year it opened) through SY2018-2019. The current Educational Products and Services Agreement between K12 Virtual Schools LLC and OHVA expires in June 2022. At present, OHVA has over 14,500 students and 598 school staff employed. OHVA has been a positive example for other schools in the online school community. It has been used as an exemplar for efficient management of a community school. To date OHVA has had no findings on any audit conducted by the Ohio Department of Education or any auditor associated with state audits. It continues to remain fully compliant year over year. To date it is one of the highest performing online schools in the state of Ohio. OHVA is accredited with distinction

for a five-year term through AdvancED. During the accreditation process it was noted in the final report that, “The leadership and staff at OHVA maintain and enhance a positive culture that supports staff collaboration, embrace a strong commitment to students and their needs, create a positive and productive learning environment, and support learning at all levels of the system by staff and students. The staff is involved in decision making concerning programs and process. The leadership is knowledgeable about all aspects of the program and continues to develop and implement a variety of strategies to support online.”

K12 Virtual Schools LLC managed Insight School of Ohio (ISOH) in consecutive years from SY2013-2014 through SY2017-2018. The school closed in June 2018 after the sponsor, Buckeye Community Hope Foundation (BCHF), non-renewed the community school’s sponsorship charter, at which time the contract with K12 was terminated by the ISOH Board, Buckeye Urban Education Solutions (BUES). Insight School of Ohio’s mission was to “*keep students in the public school system and help them to reach their individual potential by providing an excellent education alternative and student supports for students throughout Ohio who, for a variety of reasons, did not attend school, or who may have benefitted from a non-traditional school setting.*” The “Fiscal, Legal, Operations Trend Analyses” in the BCHF 2016-2017 School Performance Report for ISOH rated the performance of the school as “met” or “exceeded” in each of these categories in each school year from SY2014-2015 through SY2016-2017. Although ISOH tripled the number of their graduates from 2015 to 2017, the same report identified ISOH as needing improvement in the areas of academic achievement and pupil progress. The ISOH governing board (BUES), voted in the spring of 2017 to operate as a Dropout Prevention and Recovery Program (DOPR) as 56% of the students enrolled were between 16 and 21 years of age, and 65% of the students were enrolled in a DOPR program, exceeding the DOPR designation requirements. The school was seeking DOPR status at the time of non-renewal of their charter contract.

Online Schools Outside Ohio

K12’s Managed Public Schools (MPS) include virtual schools where an independent charter board contracts with K12 for a full-time program of educational products and services. These programs offer an integrated package of systems, services, products, and professional expertise that K12 manages to support an online school, including: administrative support (e.g., budget proposals, financial reporting, student data reporting, and staff recruitment), information technology and provisioning, academic support services, curriculum, learning systems, and instructional services. For fiscal year 2018, K12 provided these turnkey MPS programs to 75 schools in 31 states (including Ohio) and the District of Columbia.

2. Describe the operator's assessment of the degree to which each of the operator's affiliated internet- or computer-based schools are meeting the operating standards for online schools.

K12 is recognized for their expertise in implementing high quality online education. In 2018, AdvancED, a nonprofit nationwide accreditation agency for schools and school systems, renewed its five-year quality assurance accreditation of K12 Inc. AdvancED is a nonprofit organization that serves more than 30,000 public and private schools and districts across the United States. It was created by the merger of the preK-12 divisions of the North Central Accreditation Association Commission on Accreditation and School Improvement and the Southern Association of Colleges and Schools Council on Accreditation and School Improvement, and the subsequent addition of the Northwest Accreditation Commission. Many of the schools K12 manages also maintain school accreditation through AdvancED and also through regional accreditations with other accrediting associations.

AdvancED conducts rigorous, on-site external reviews of PreK-12 schools and school systems to ensure that all learners realize their full potential. AdvancED Education Service Agency (ESA) Accreditation is a systems approach to improving learner performance results over time. This accreditation recognizes that increasing student achievement is more than improving instruction. It is a result of how effectively all the parts of the corporation - the leadership, schools, and classrooms served - work together to meet the needs of learners.

To earn and maintain accreditation, K12 Inc. must:

- Meet quality standards set forth by AdvancED including their digital learning standards.
- Engage in a continuous process of improvement.
- Demonstrate quality assurance through internal (Self-Study) and external review (Quality Assurance Review).

K12 has had a long-time association with the International Association for K-12 Online Learning (iNACOL). Based on wide recognition of the high quality of K12's online programs, courses, and teaching, over several years K12 staff have served on iNACOL committees that have developed and updated iNACOL standards. These standards provide guidelines that are used by K12 managed schools and other organizations implementing online learning with the goal "to ensure a high-quality education for all students." Recently, many K12 team members from corporate, regional, and school levels have been involved in the current revisions of all iNACOL standards.

In this application, our sponsor, our operator, and our Board collaborated on a self-evaluation of how well our proposed school embodies the best practices described in the iNACOL National Standards of Quality for Online Programs. The self-evaluation resulted in high marks for ODLS compliance with the standards overall. The ODLS program will implement an online learning model supporting at-risk students managed by K12 and guided by the iNACOL standards. ODLS will offer students a fresh educational start through a full-service learning model designed around individualized instruction, high-quality curriculum, student-focused support initiatives, and a commitment to ensuring each and every student reaches his or her true potential in accordance with the state's academic standards.

3. Has operator ever terminated its agreement with an internet- or computer-based school?

The operator has never terminated an agreement with an internet- or computer-based school after a reasonable search of such records.

Provide an explanation describing the circumstances leading to the decision to terminate agreement for each internet- or computer-based school.

This question is not applicable to the operator. Please see the previous response.

Describe specific actions taken by the operator and timeline for each action.

This question is not applicable to the operator.

If the operator had not had to terminate agreement with an internet- of computer-based schools, please describe what circumstances would lead the operator to terminate agreement with an internet- or computer-based school and specific actions the operator will take including timeline for each action.

- Termination for Cause. Either Party may terminate the Operator Agreement for cause at any time with ninety (90) days' prior written notice to the other Party. Termination for cause shall mean the breach of any material term or failure to fulfill any material condition, term, provision, representation, warranty, covenant or obligation contained in the Operator Agreement and a Board, and a failure to cure such a breach within forty-five (45) days after receiving written notification from the terminating Party. Upon termination of the Operator Agreement, the non-breaching Party shall be entitled to seek any remedies for which it would be entitled at law or in equity.
- Termination for Material Reduction in School Revenue. Operator may terminate the Operator Agreement in the event there is a material reduction in School Revenue and such reduction will materially increase the financial risk to Operator in fulfilling its obligations under the Operator Agreement. Operator shall notify the Board of its intent to terminate under this provision and provide the Board thirty (30) days' notice so that the Parties may work together to find alternative funding or other means to offset the reduction in School Revenue. If the Parties are unable to find additional revenue or other means in the thirty (30) day time-frame, Operator may terminate the Operator Agreement and such termination shall be effective: (i) immediately upon written notice by Operator to the Board, if notice or publication of such reduction is given at least ninety days (90) prior to the commencement of the school year to which such reduction is applicable; or (ii) at the end of the school year upon written notice to the Board if notice or publication of such reduction is given during the school year to which such reduction is applicable. In the event Operator elects not to terminate the Operator Agreement in accordance with this provision, Operator may reasonably revise and determine the level of products and services to be provided in accordance with Applicable Law, considering any such funding reduction.
- Termination Upon Loss of School Approval, Charter or Non-Profit Status. The Operator Agreement may be terminated by either Party upon written notice to the other Party: (i) if the Sponsor provides written notice that it has terminated, revoked, or not renewed the Charter or if the Charter has not been authorized, or (ii) upon a final determination by the Internal Revenue Service that the Board is not eligible for 501(c)(3) status, or (iii) upon a final adverse determination by the highest court in the State that the School is no longer valid under law or its ruling has the effect of terminating the School. Such termination will be effective upon the date of the termination, revocation or non-renewal.
- Termination for Failure to Approve Budget. In the event that the Board does not approve a budget or reasonable modifications to a budget within thirty (30) days following the submission of a proposal by Operator, Operator may terminate the Operator Agreement effective at the end of the then-current school year in which the budget or reasonable modification is not approved, or if the lack of approval is for an upcoming school year that has not commenced, Operator may terminate the Operator Agreement upon written notice prior to the commencement of the upcoming school year.

- Termination in the Event of Certain Changes in the Charter or School Policies. Operator may terminate the Operator Agreement effective immediately upon written notice to the Board in the event that the Charter is amended or the Board or the Sponsor adopts or amends a policy, in each case without the prior written approval of Operator, and the effect of such amendment or policy could reasonably be determined to require Operator to increase materially the level of services required to be provided hereunder or to increase materially the financial risk to Operator arising from its performance of its obligations hereunder, thus rendering Operator's performance economically unviable as determined by Operator. In the event the Board or Sponsor adopts such an adverse policy in the middle of a school year, Operator agrees to use its best efforts to complete the then current school year without waiving any rights and remedies hereunder.
- Change in Applicable Law. If any change in Applicable Law enacted after the date hereof could reasonably be expected to have a material adverse effect on the ability of any Party to carry out its obligations under the Operator Agreement, such Party, upon written notice to the other Party (which notice may be given at any time following enactment of such change in Applicable Law, whether or not such change is effective on the date of such enactment or is effective at a later date), may request renegotiation of the Operator Agreement. Such renegotiation will be undertaken in good faith. If the Parties are unable to renegotiate and agree upon revised terms within one hundred twenty (120) days after such notice of renegotiation, then the Operator Agreement will be terminated effective at the end of the school year in which such notice was given, unless earlier termination is necessary to protect the health, welfare, or safety of students.

Attachment 7

Operator's Academic Performance Record – In Ohio

1. If proposed school will be contracting with an operator, provide a complete and comprehensive list of all schools managed by the operator in Ohio since the operator's first year of operation. For each internet-based or computer-based community/public charter school managed by the operator, provide the following:
 - Name and unique school identifier of each school;
 - Type of school (site-based or online);
 - First and most recent calendar years for which the operator managed the daily activities of the school; and the
 - Total years the operator managed the school.

Name and Unique Identifier: Insight School of Ohio (014081)
Type of School: Online School
First Calendar Year: 2013-14
Most Recent Calendar Year: 2017-18
Total Years: 5

Name and Unique Identifier: Ohio Virtual Academy (142950)
Type of School: Online School
First Calendar Year: 2002-03
Most Recent Calendar Year: 2017-18
Total Years: 16

Attachment 8

Operator's Academic Performance Record – Outside Ohio

2. **If the operator managed the operations of schools outside Ohio, provide a complete and comprehensive list year by year of all schools managed by the operator outside Ohio. For each school managed by the operator outside Ohio, identify the following information:**
 - **School's unique identifier;**
 - **School's name;**
 - **Type of school**
 - **State of location of school;**
 - **List each school year with affiliation;**
 - **List overall state report card rating for that year; and the**
 - **URL that links to an explanation of the state's accountability system to allow the Department to compare the performance of those schools to Ohio's rating system.**

Attachment 8
Schools Supported by K12

Ohio Digital Learning School

Unique Identifier	Name of School	Type of School	State	Each School Year with Affiliation	State Report Card Rating for that Year	URL to State Accountability Site
79705	Arizona Virtual Academy (AZVA)	Online	Arizona	2003-04	Met AYP	https://azreportcards.com/ReportCard
				2004-05	Met AYP	
				2005-06	Met AYP	
				2006-07	Met AYP	
				2007-08	Did Not Meet AYP	
				2008-09	Met AYP	
				2009-10	Met AYP	
				2010-11	C	
				2011-12	C	
				2012-13	C	
				2013-14	B	
				2014-15	Not Rated	
				2015-16	Not Rated	
				2016-17	Not Rated	
91830	Insight School of Arizona (ISAZ)	Online	Arizona	2015-16	Not Rated	https://azreportcards.com/ReportCard
				2016-17	Not Rated	
				2017-18	Not Rated	
				2018-19	Not Yet Available	
				2012-13	C-Alt	
				2013-14	C-Alt	
6043701	Arkansas Virtual Academy (ARVA) Elementary	Online	Arkansas	2013-14	C	https://myschoolinfo.arkansas.gov/Schools/Detail/6043701
				2014-15	D	
				2015-16	Not Rated	
				2016-17	D	
6043702	Arkansas Virtual Academy (ARVA) Middle	Online	Arkansas	2013-14	C	https://myschoolinfo.arkansas.gov/Schools/Detail/6043702
				2014-15	Not Rated	
				2015-16	Not Rated	
				2016-17	C	
				2017-18	C	
6043703	Arkansas Virtual Academy (ARVA) High	Online	Arkansas	2013-14	C	https://myschoolinfo.arkansas.gov/Schools/Detail/6043703
				2014-15	Not Rated	
				2015-16	Not Rated	
				2016-17	C	
				2017-18	C	
10-62331-0127175	California Virtual Academy @ Fresno (CAVA@Fresno)	Online	California	2012-13	API 714	https://www.cde.ca.gov/ta/ac/
				2013-14	Not Rated	
				2014-15	Not Rated	
				2015-16	Not Rated	
				2016-17	Not Rated	
				2017-18	Not Rated	
				2018-19	Not Yet Available	
55-72363-0100099	California Virtual Academy @ Jamestown (CAVA@Jamestown)	Online	California	2002-03	API 790	https://www.cde.ca.gov/ta/ac/
				2003-04	API 687	
				2004-05	API 740	
				2005-06	API 721	
				2006-07	API 746	
				2007-08	API 686	
				2008-09	API 711	
				2009-10	API 741	
				2010-11	API 723	
				2011-12	API 679	
				2012-13	API 661	
15-63628-6121024	California Virtual Academy @ Kern (CAVA@Kern)	Online	California	2002-03	API 723	https://www.cde.ca.gov/ta/ac/
				2003-04	API 740	
				2004-05	API 763	
				2005-06	API 737	
				2006-07	API 763	
				2007-08	API 691	
				2008-09	API 703	
				2009-10	API 679	
				2010-11	API 695	
				2011-12	API 727	
16-63875-0112698	California Virtual Academy @ Kings (CAVA@Kings)	Online	California	2006-07	API 759	https://www.cde.ca.gov/ta/ac/
				2007-08	API 730	
				2008-09	API 749	
				2009-10	API 749	
				2010-11	API 756	
				2011-12	API 758	
				2012-13	API 729	
				2013-14	Not Rated	
				2014-15	Not Rated	
				2015-16	Not Rated	
				2016-17	Not Rated	
19-65094-0112706	California Virtual Academy @ Los Angeles (CAVA@LA)	Online	California	2006-07	API 748	https://www.cde.ca.gov/ta/ac/
				2007-08	API 750	
				2008-09	API 744	
				2009-10	API 747	
				2010-11	API 749	
				2011-12	API 737	
				2012-13	API 741	
				2013-14	Not Rated	
				2014-15	Not Rated	
				2015-16	Not Rated	
15-63628-0127183	California Virtual Academy @ Maricopa (CAVA@Maricopa)	Online	California	2012-13	API 723	https://www.cde.ca.gov/ta/ac/
				2013-14	Not Rated	
				2014-15	Not Rated	
				2015-16	Not Rated	
				2016-17	Not Rated	
				2017-18	Not Rated	
37-68403-6120893	California Virtual Academy @ San Diego (CAVA@San Diego)	Online	California	2002-03	API 756	https://www.cde.ca.gov/ta/ac/
				2003-04	API 783	
				2004-05	API 802	
				2005-06	API 775	
				2006-07	API 742	
				2007-08	API 760	
				2008-09	API 760	
				2009-10	API 752	
				2010-11	API 755	
				2011-12	API 748	
				2012-13	API 731	
				2013-14	Not Rated	
				2014-15	Not Rated	
				2015-16	Not Rated	
2016-17	Not Rated					
2017-18	Not Rated					
2018-19	Not Yet Available					

Attachment 8
Schools Supported by K12

Ohio Digital Learning School

Unique Identifier	Name of School	Type of School	State	Each School Year with Affiliation	State Report Card Rating for that Year	URL to State Accountability Site					
39-68676-0114926	California Virtual Academy @ San Joaquin (CAVA@San Joaquin)	Online	California	2007-08	API 672	https://www.cde.ca.gov/ta/ac/					
				2008-09	API 703						
				2009-10	API 677						
				2010-11	API 660						
				2011-12	API 682						
				2012-13	API 705						
				2013-14	Not Rated						
				2014-15	Not Rated						
				2015-16	Not Rated						
				2016-17	Not Rated						
				2017-18	Not Rated						
				2018-19	Not Yet Available						
				41-68916-0112284	California Virtual Academy @ San Mateo (CAVA@San Mateo)		Online	California	2004-05	API 770	https://www.cde.ca.gov/ta/ac/
2005-06	API 757										
2006-07	API 753										
2007-08	API 737										
2008-09	API 769										
2009-10	API 742										
2010-11	API 756										
2011-12	API 747										
2012-13	API 739										
2013-14	Not Rated										
2014-15	Not Rated										
2015-16	Not Rated										
2016-17	Not Rated										
2017-18	Not Rated										
2018-19	Not Yet Available										
37-68403-0125401	California Virtual Academy @ Santa Ysabe	Online	California	2011-12	API 680	https://www.cde.ca.gov/ta/ac/					
49-70797-0107284	California Virtual Academy @ Sonoma (CAVA@Sonoma)	Online	California	2004-05	API 769	https://www.cde.ca.gov/ta/ac/					
				2005-06	API 771						
				2006-07	API 754						
				2007-08	API 704						
				2008-09	API 715						
				2009-10	API 735						
				2010-11	API 723						
				2011-12	API 722						
				2012-13	API 717						
				2013-14	Not Rated						
				2014-15	Not Rated						
				2015-16	Not Rated						
				2016-17	Not Rated						
2017-18	Not Rated										
2018-19	Not Yet Available										
51-71423-0111161	California Virtual Academy @ Sutter (CAVA@Sutter)	Online	California	2006-07	API 730	https://www.cde.ca.gov/ta/ac/					
				2007-08	API 709						
				2008-09	API 715						
				2009-10	API 715						
				2010-11	API 699						
				2011-12	API 703						
				2012-13	API 672						
				2013-14	Not Rated						
				2014-15	Not Rated						
				2015-16	Not Rated						
				2016-17	Not Rated						
				2017-18	Not Rated						
				2018-19	Not Yet Available						
19-65094-0125393	Insight School of California @ Los Angeles (fka CAVA@LA HS)	Online	California	2011-12	Not Rated	https://www.cde.ca.gov/ta/ac/					
15-63628-0127209	Insight School of California (fka CAVA@Maricopa HS)	Online	California	2012-13	API 595	https://www.cde.ca.gov/ta/ac/					
				2013-14	Not Rated						
				2014-15	Not Rated						
				2015-16	Not Rated						
				2016-17	Not Rated						
				2017-18	Not Rated						
				2018-19	Not Yet Available						
				2008-09	API 651						
				2009-10	API 675						
				2010-11	API 639						
				2011-12	API 624						
				2012-13	API 640						
				2014-15	Not Rated						
2015-16	Not Rated										
2016-17	Not Rated										
2017-18	Not Rated										
2018-19	Not Yet Available										
49-75358-0117986	Insight School of California @ North Bay (ISNB)	Online	California	2011-12	Not Rated	https://www.cde.ca.gov/ta/ac/					
37-68403-0125401	Insight School of California @ San Diego (ISSD)	Online	California	2011-12	Not Rated	https://www.cde.ca.gov/ta/ac/					
39-68627-0133116	Insight School of California @ San Joaquin (ISSJ)	Online	California	2016-17	Not Rated	https://www.cde.ca.gov/ta/ac/					
19-73452-0120600	iQ Academy California—Los Angeles (IQLA)	Online	California	2010-11	API 587	https://www.cde.state.co.us/accountability/performanceframeworkresults					
				2011-12	API 762						
				2012-13	API 749						
				2013-14	Not Rated						
				2014-15	Not Rated						
				2015-16	Not Rated						
				2016-17	Not Rated						
				2017-18	Not Rated						
				2018-19	Not Yet Available						
				2011-12	API 648						
				2012-13	API 733						
				2013-14	Not Rated						
				2014-15	Not Rated						
43-10439-0121780	Silicon Valley Flex Academy	Blended (Hybrid)	California	2011-12	API 782	https://www.cde.ca.gov/ta/ac/					
1550	Colorado Preparatory Academy	Online	Colorado	2012-13	Performance Plan	https://www.cde.state.co.us/accountability/performanceframeworkresults					
				2013-14	Improvement Plan						
				2014-15	Not Rated						
				2015-16	Priority Improvement Plan: Low Participation						
				2016-17	Priority Improvement Plan: Low Participation						
				2017-18	Improvement Plan: Low Participation						
				2018-19	Not Yet Available						
				2001-02	Not Rated						
				2002-03	Not Rated						
				2003-04	Met AYP						
				2004-05	Met AYP						
				2005-06	Met AYP						
				2006-07	Did Not Meet AYP						
2007-08	Did Not Meet AYP										
2008-09	Did Not Meet AYP										
2009-10	Priority Improvement Plan										
2010-11	Priority Improvement Plan										
2011-12	Priority Improvement Plan										
2012-13	Priority Improvement Plan										
2013-14	Improvement Plan										
Unavailable	Community Academy Public Charter School Online	Online	District of Columbia	2011-11	Tier 2	https://www.dcpsb.org/schoolquality					
120-268	Friendship Public Charter School Online (FPSC)	Online	District of Columbia	2012-13	Tier 2	https://www.dcpsb.org/schoolquality?field_school_tier_val=All&keys=friendship					
				2013-14	Tier 2						
				2014-15	Not Rated						
				2015-16	Not Rated						
				2016-17	Tier 2						
				2017-18	Tier 2						
				2018-19	Not Yet Available						
				2013-14	D						
				2014-15	Incomplete						
				2015-16	Incomplete						
				065059	Florida Virtual Academy at Broward County (FLVA@Broward)		Online	Florida	2013-14	D	http://www.fldoe.org/accountability/accountability-reporting/school-grades/archives.stml

Attachment 8
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Unique Identifier	Name of School	Type of School	State	Each School Year with Affiliation	State Report Card Rating for that Year	URL to State Accountability Site
100663	Florida Cyber Charter Academy at Clay County (FLCCA@Clay)	Online	Florida	2014-15	Incomplete	http://www.fldoe.org/accountability/accountability-reporting/school-grades/archives.stml
				2015-16	Incomplete	
				2016-17	C	
				2017-18	C	
				2018-19	Not Yet Available	
165371	Florida Cyber Charter Academy at Duval County (FLCCA@Duval)	Online	Florida	2013-14	C	http://www.fldoe.org/accountability/accountability-reporting/school-grades/archives.stml
				2014-15	Incomplete	
				2015-16	Incomplete	
				2016-17	D	
				2017-18	Incomplete	
297678	Florida Virtual Academy at Hillsborough County (FLVA@Hillsborough)	Online	Florida	2018-19	Not Yet Available	http://www.fldoe.org/accountability/accountability-reporting/school-grades/archives.stml
				2014-15	Incomplete	
				2015-16	Incomplete	
				2016-17	Incomplete	
				2017-18	Incomplete	
490153	Florida Cyber Charter Academy at Osceola County (FLCCA@Osceola)	Online	Florida	2013-14	F	http://www.fldoe.org/accountability/accountability-reporting/school-grades/archives.stml
				2014-15	Incomplete	
				2015-16	Incomplete	
				2016-17	C	
				2017-18	D	
504040	Florida Virtual Academy at Palm Beach County (FLVA@Palm Beach)	Online	Florida	2018-19	Not Yet Available	http://www.fldoe.org/accountability/accountability-reporting/school-grades/archives.stml
				2013-14	D	
				2014-15	Incomplete	
				2015-16	Incomplete	
				2016-17	D	
514325	Florida Cyber Charter Academy at Pasco County (FLCCA@Pasco)	Online	Florida	2014-15	Incomplete	http://www.fldoe.org/accountability/accountability-reporting/school-grades/archives.stml
				2015-16	Incomplete	
				2016-17	D	
				2017-18	C	
				2018-19	Incomplete	
527341	Florida Cyber Charter Academy at Pinellas County (FLCCA@Pinellas)	Online	Florida	2014-15	Incomplete	http://www.fldoe.org/accountability/accountability-reporting/school-grades/archives.stml
				2015-16	Incomplete	
				2016-17	C	
				2017-18	Not Rated	
				2018-19	Not Rated	
7820120	Georgia Cyber Academy (GCA) Ratings for prior to 2014-15 are all for Odyssey School and GCA did not receive a stand-alone rating so they were not included.	Online	Georgia	2007-08	Not Rated	https://schoolgrades.georgia.gov/dataset/school-level-data
				2008-09	Not Rated	
				2009-10	Not Rated	
				2010-11	Not Rated	
				2011-12	Not Rated	
				2012-13	Not Rated	
				2013-14	Not Rated	
				2014-15	D	
				2015-16	F	
				2016-17	D	
				2017-18	D	
				2018-19	Not Yet Available	
				551	Hawaii Technology Academy (HTA)	
2007-08	Not Available					
2008-09	Not Available					
2009-10	Not Available					
2010-11	Not Available					
2011-12	Not Available					
2012-13	Focus					
2013-14	Focus					
2014-15	Met AYP					
2015-16	Did Not Meet AYP					
466	Isuceed Virtual High School - Insight Idaho (ISVHS or ISCO)	Online	Idaho	2011-12	Did Not Meet AYP	https://apps.sde.idaho.gov/ReportCard/SchoolYear/23
				2014-15	Not Rated	
				2015-16	Not Rated	
				2016-17	Not Rated	
				2017-18	Not Rated	
489	Idaho College and Career Readiness (aka ID Technical Career Academy) (IDCCRA/ITCA)	Online	Idaho	2018-19	Not Yet Available	https://apps.sde.idaho.gov/ReportCard/SchoolYear/23
				2013-14	Not Rated	
				2014-15	Not Rated	
				2015-16	Not Rated	
				2016-17	Not Rated	
452	Idaho Virtual Academy (IDVA)	Online	Idaho	2002-03	Not Rated	https://apps.sde.idaho.gov/ReportCard/SchoolYear/23
				2003-04	Not Rated	
				2004-05	Not Rated	
				2005-06	Not Rated	
				2006-07	Not Rated	
				2007-08	Met AYP	
				2008-09	Did Not Meet AYP	
				2009-10	Met AYP	
				2010-11	Met AYP	
				2011-12	Did Not Meet AYP	
				2012-13	Not Rated	
				2013-14	Not Rated	
				2014-15	Not Rated	
2015-16	Not Rated					
2016-17	Not Rated					
2017-18	Identified for Comprehensive and Targeted Support					
400036	Chicago Virtual Charter School	Blended (Hybrid)	Illinois	2018-19	Not Yet Available	https://cps.edu/SchoolData/Pages/SchoolData.aspx
				2006-07	Met AYP	
				2007-08	Met AYP	
				2008-09	Met AYP	
				2009-10	Level 3	
				2010-11	Level 3	
				2011-12	Level 3	
				2012-13	Level 2	
				2013-14	Level 2	
				2014-15	Level 2+	
2015-16	Level 2+					
2016-17	Level 2					
400142	Youth Connection Charter School Virtual High School	Blended (Hybrid)	Illinois	2017-18	Level 2	https://cps.edu/SchoolData/Pages/SchoolData.aspx
				2009-10	Not Rated	
				2010-11	Not Rated	
				2011-12	Not Rated	
				2012-13	Not Rated	
2527	Hoosier Academies Indianapolis (HA@Indy)	Blended (Hybrid)	Indiana	2013-14	Level 1	https://www.doe.in.gov/accountability/find-school-and-corporation-data-reports
				2014-15	Level 1	
				2008-09	Not Rated	
				2009-10	C	
				2010-11	D	
				2011-12	B	
				2012-13	C	
				2013-14	C	
				2014-15	C	
				2015-16	F	
2016-17	D					
2017-18	C					
2018-19	Not Yet Available					
1427	Hoosier Academy Muncie	Blended (Hybrid)	Indiana	2008-09	Not Rated	https://www.doe.in.gov/accountability/find-school-and-corporation-data-reports
				2009-10	F	
				2010-11	F	
				2011-12	F	
				2012-13	F	
5290	Hoosier Academies Virtual School	Online	Indiana	2013-14	Not Rated	https://www.doe.in.gov/accountability/find-school-and-corporation-data-reports
				2009-10	C	
				2010-11	F	
				2011-12	F	
				2012-13	F	
				2013-14	F	
				2014-15	F	
2528	Insight Indiana (ISIN)	Online	Indiana	2014-15	F	https://www.doe.in.gov/accountability/find-school-and-corporation-data-reports
				2015-16	F	
				2016-17	F	
				2017-18	F	
				2018-19	C	
343002	Louisiana Virtual Charter Academy (LAVCA)	Online	Louisiana	2018-19	Not Yet Available	http://louisianaschools.com/schools/WAG001/academic-performance/overall_performance
				2011-12	Not Rated	
				2012-13	D	
				2013-14	C	
				2014-15	D	
				2015-16	D	
				2016-17	D	
2017-18	D					
2018-19	Not Yet Available					

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Ohio Digital Learning School

Unique Identifier	Name of School	Type of School	State	Each School Year with Affiliation	State Report Card Rating for that Year	URL to State Accountability Site
1715	Maine Virtual Academy (MEVA)	Online	Maine	2015-16 2016-17 2017-18 2018-19	Not Rated Not Rated Not Yet Available Not Yet Available	https://lms.backpack.education/public/maine
02953	Highpoint Virtual Academy of Michigan (HVAM)	Online	Michigan	2016-17 2017-18 2018-19	43.92 Not Yet Available Not Yet Available	https://www.michigan.gov/mde/0,4615,7-140-81376_59490_149955--00.html
02314	Insight School of Michigan (ISMI)	Online	Michigan	2013-14 2014-15 2015-16 2016-17 2017-18 2018-19	Not Rated Not Rated Red 26.48 Not Yet Available Not Yet Available	https://www.michigan.gov/mde/0,4615,7-140-81376_59490_149955--00.html
01864	Michigan Great Lakes Virtual Academy (MGLVA)	Online	Michigan	2012-13 2013-14 2014-15 2015-16 2016-17	Not Rated Red Not Rated Lime 42.11	https://www.michigan.gov/mde/0,4615,7-140-81376_59490_149955--00.html
00482	Michigan Virtual Charter Academy (MVCA)	Online	Michigan	2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19	Did Not Meet AYP Met AYP Red Red Not Rated Red 53.25 Not Yet Available Not Yet Available	https://www.michigan.gov/mde/0,4615,7-140-81376_59490_149955--00.html
4235-07-010	Flex Academy of Minnesota	Blended (Hybrid)	Minnesota	2015-16	Not Rated	http://rc.education.state.mn.us/#northStar/orgid:-10294012000_year--2018_nscomparisonline--FOC_NONE_p%E2%80%9465
0294-01-012	Minnesota Virtual Academy	Online	Minnesota	2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19	Not Available Not Available Not Available Not Available Did Not Meet AYP Did Not Meet AYP Did Not Meet AYP Did Not Meet AYP Not Rated Comprehensive Support & Improvement Not Yet Available	http://rc.education.state.mn.us/#northStar/orgid:-10294012000_year--2018_nscomparisonline--FOC_NONE_p--65
18404	Nevada Virtual Academy (NVVA)	Online	Nevada	2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19	Not Available Not Available Not Available ES: Did Not Meet AYP MS: Did Not Meet AYP HS: Met AYP ES: 2-Star MS: 2-Star HS: 1-Star ES: 2-Star MS: 2-Star HS: 2-Star ES: 2-Star MS: 3-Star HS: 2-Star ES: Not Rated MS: Not Rated HS: Not Rated ES: 1-Star MS: 3-Star HS: Not Rated ES: 1-Star MS: 2-Star HS: 3-Star Not Yet Available	http://nevadareportcard.com/DI/nv/state_charter_schools/nevada_virtual_academy
6059 941	Newark Prep Charter School	Blended (Hybrid)	New Jersey	2012-13 2013-14 2014-15 2015-16 2016-17	Not Rated Not Rated Not Rated Not Rated Not Rated	https://rc.doe.state.nj.us/report.aspx?type=school&lang=english&county=80&district=6059&school=941&SY=1617&schoolyear=2016_2017#P3d8402b609fb40919ea4d38e062d4412_2_33IS8
065021	New Mexico Virtual Academy (NMVA)	Online	New Mexico	2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19	B B C D D C Not Yet Available	http://aae.ped.state.nm.us/docs/1718/SchoolGrading/065_021_FARMINGTON_MUNICIPAL_SCHOOLS_NEW_MEXICO_VIRTUAL_ACADEMY_SchoolGrading_2018.pdf
00B000	North Carolina Virtual Academy (NCVA)	Online	North Carolina	2015-16 2016-17 2017-18 2018-19	D D D Not Yet Available	https://ncreportcards.ondemand.sas.com/src/school?school=00B000&year=2017&lang=english
014081	Insight School of Ohio	Online	Ohio	2013-14 2014-15 2015-16 2016-17 2017-18	Not Rated Not Rated Not Rated Not Rated F	https://reportcard.education.ohio.gov/home
142950	Ohio Virtual Academy (OHVA)	Online	Ohio	2002-03 2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19	Not Rated Continuous Improvement Continuous Improvement Effective Continuous Improvement Continuous Improvement Continuous Improvement Continuous Improvement Effective Continuous Improvement Continuous Improvement Not Rated Not Rated Not Rated Not Rated Not Rated D	https://reportcard.education.ohio.gov/home
55 2004 971	Insight School of Oklahoma (ISOK) Middle	Online	Oklahoma	2015-16 2016-17 2017-18 2018-19	F Not Rated Not Yet Available Not Yet Available	https://sde.ok.gov/af-grades
55 2004 972	Insight School of Oklahoma (ISOK) High	Online	Oklahoma	2014-15 2015-16 2016-17 2017-18 2018-19	F F Not Rated Not Yet Available Not Yet Available	https://sde.ok.gov/af-grades
55 E014 986	Oklahoma Virtual Charter Academy (OVCA) Elementary	Online	Oklahoma	2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19	F F D F Not Rated Not Yet Available Not Yet Available	https://sde.ok.gov/af-grades

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Unique Identifier	Name of School	Type of School	State	Each School Year with Affiliation	State Report Card Rating for that Year	URL to State Accountability Site					
55 E014 985	Oklahoma Virtual Charter Academy (OVCA) Middle	Online	Oklahoma	2012-13	D-	https://sde.ok.gov/af-grades					
				2013-14	D+						
				2014-15	D						
				2015-16	F						
				2016-17	Not Rated						
				2017-18	Not Yet Available						
				2018-19	Not Yet Available						
55 E014 984	Oklahoma Virtual Charter Academy (OVCA) High	Online	Oklahoma	2012-13	C	https://sde.ok.gov/af-grades					
				2013-14	C						
				2014-15	C-						
				2015-16	D						
				2016-17	Not Rated						
				2017-18	Not Yet Available						
				2018-19	Not Yet Available						
5440	Cascade Virtual Academy	Online	Oregon	2018-19	Not Yet Available	https://www.ode.state.or.us/data/reportcard/ReportArchive.aspx					
5441	Oregon Destinations Career Academy	Online	Oregon	2018-19	Not Yet Available	https://www.ode.state.or.us/data/reportcard/ReportArchive.aspx					
1970 5150	Insight School of Oregon Charter Option	Online	Oregon	2012-13	Not Rated	https://www.ode.state.or.us/data/reportcard/ReportArchive.aspx					
				2013-14	Level 1						
				2014-15	Not Rated						
2249 5150	Insight School of Oregon Painted Hills	Online	Oregon	2015-16	Not Rated	https://www.ode.state.or.us/data/reportcard/ReportArchive.aspx					
				2016-17	Not Rated						
				2017-18	Comprehensive Support & Improvement						
1966 4690	Oregon Virtual Academy (ORVA)	Online	Oregon	2008-09	Not Rated	https://www.ode.state.or.us/data/reportcard/ReportArchive.aspx					
				2009-10	Satisfactory						
				2010-11	Satisfactory						
				2011-12	Not Rated						
				2012-13	Level 1						
				2013-14	Level 2						
				2014-15	Not Rated						
				2015-16	Not Rated						
				2016-17	Not Rated						
				2017-18	Comprehensive Support & Improvement						
				2018-19	Not Yet Available						
				126510020-7858	Agora Cyber Charter School		Online	Pennsylvania	2006-07	Did Not Meet AYP	http://www.paschoolperformance.org/Downloads.html
									2007-08	Did Not Meet AYP	
									2008-09	Did Not Meet AYP	
2009-10	Did Not Meet AYP										
2010-11	Did Not Meet AYP										
2011-12	Did Not Meet AYP										
2012-13	48.3										
2013-14	42.4										
2014-15	46.4										
2014-15	Not Rated										
2015-16	36.8										
2016-17	34.7										
2017-18	Comprehensive Support & Improvement										
2018-19	Not Yet Available										
102023217-8308	Hill House Passport Academy Charter School (HHPACS)	Blended (Hybrid)	Pennsylvania	2017-18	Not Identified for Support	http://www.paschoolperformance.org/Profile/7191					
124152637-8394	Insight PA Cyber Charter School (ISPA)	Online	Pennsylvania	2018-19	Not Yet Available	http://www.paschoolperformance.org/Profile/7191					
123460001-7687	Pennsylvania Virtual Charter School (PAVCS)	Online	Pennsylvania	2001-02	Not Available	http://www.paschoolperformance.org/Downloads.html					
				2002-03	Not Available						
				2003-04	Did Not Meet AYP						
				2004-05	Did Not Meet AYP						
				2013-14	ES: Below Average						
4701024	Cyber Academy of South Carolina (CASC)	Online	South Carolina	2014-15	Not Rated	https://ed.sc.gov/data/report-cards/state-report-cards/					
				2015-16	Not Rated						
				2016-17	Not Rated						
				2017-18	ES: Unsatisfactory MS: Below Average HS: Unsatisfactory						
				2018-19	Not Yet Available						
				4701004	South Carolina Virtual Charter School (SCVCS)		Online	South Carolina	2008-09	ES: Average MS: Average	https://ed.sc.gov/data/report-cards/state-report-cards/
									2009-10	ES: Average MS: Average	
2010-11	ES: Average MS: Average HS: At-Risk										
2011-12	ES: Average MS: Average HS: At-Risk										
2012-13	ES: Average MS: Average HS: At-Risk										
2013-14	ES: Average MS: Average HS: At-Risk										
2014-15	Not Rated										
2015-16	Not Rated										
2016-17	Not Rated										
2017-18	ES: Unsatisfactory MS: Below Average HS: Unsatisfactory										
2018-19	Not Yet Available										
221801022	Texas Virtual Academy (TXVA) 3-12	Online	Texas			2011-12			Not Rated	https://rptsr1.tea.texas.gov/perfreport/account/	
						2012-13			Improvement Required		
						2013-14			Improvement Required		
				2014-15	Met Standard						
				2015-16	Improvement Required						
221801022	Texas Virtual Academy (TXVA) 3-8	Online	Texas	2016-17	Improvement Required	https://rptsr1.tea.texas.gov/perfreport/account/					
				2017-18	Improvement Required						
				2018-19	Met Alternative Standard						
072801145	Texas Virtual Academy (TXVA) HS	Online	Texas	2015-16	Met Alternative Standard	https://rptsr1.tea.texas.gov/perfreport/account/					
				2016-17	Met Alternative Standard						
				2017-18	Met Alternative Standard						
				2006-07	Academically Acceptable						
				2007-08	Academically Acceptable						
101838103	Texas Virtual Academy @ Southwest	Online	Texas	2008-09	Academically Unacceptable	https://rptsr1.tea.texas.gov/perfreport/account/					
				2009-10	Academically Acceptable						
				2010-11	Academically Unacceptable						
				2011-12	Academically Unacceptable						
				2012-13	Academically Unacceptable						
05F	Utah Virtual Academy (UTVA)	Online	Utah	2008-09	Met AYP	https://datagateway.schools.utah.gov/AccountabilityReport.aspx					
				2009-10	Met AYP						
				2010-11	Met AYP						
				2011-12	Did Not Meet AYP						
				2012-13	F						
				2013-14	K-8: D HS: F						
				2014-15	K-8: D HS: F						
				2015-16	K-8: D HS: F						
				2016-17	K-8: D HS: F						
				2017-18	Not Yet Available						
2018-19	Not Yet Available										
3381 450	Destinations Career Academy of Wisconsin (WIDCA)	Online	Wisconsin	2016-17	Alternate Rating - Satisfactory Progress	https://apps2.dpi.wi.gov/reportcards/					
				2017-18	Alternate Rating - Satisfactory Progress						
				2018-19	Not Yet Available						
3381 470	Insight School of Wisconsin High School (ISWI-HS)	Online	Wisconsin	2017-18	Alternate Rating - Satisfactory Progress	https://apps2.dpi.wi.gov/reportcards/					
1945 0100	Wisconsin Virtual Academy (WIVA) K-12 @ North Ozaukee	Online	Wisconsin	2003-04	Satisfactory	https://apps2.dpi.wi.gov/reportcards/					
				2004-05	Satisfactory						
				2005-06	Satisfactory						
				2006-07	Satisfactory						
				2007-08	Satisfactory						
				2008-09	Satisfactory						
				2009-10	Satisfactory						

Attachment 8
Schools Supported by K12

Ohio Digital Learning School

Unique Identifier	Name of School	Type of School	State	Each School Year with Affiliation	State Report Card Rating for that Year	URL to State Accountability Site
3381 800	Wisconsin Virtual Academy (WIVA) K-12 @ McFarland	Online	Wisconsin	2009-10	Satisfactory	https://apps2.dpi.wi.gov/reportcards/
				2010-11	Satisfactory	
				2011-12	Meets Few Expectations	
				2012-13	Meets Few Expectations	
				2013-14	Meets Expectations	
3381 160	Wisconsin Virtual Academy K-8 (WIVA K-8)	Online	Wisconsin	2014-15	Not Rated	https://apps2.dpi.wi.gov/reportcards/
				2015-16	Fails to Meet Expectations	
				2016-17	Meets Expectations	
				2017-18	Meets Expectations	
				2018-19	Not Yet Available	
3381 430	Wisconsin Virtual Academy 9-12 (WIVA HS)	Online	Wisconsin	2014-15	Not Rated	https://apps2.dpi.wi.gov/reportcards/
				2015-16	Fails to Meet Expectations	
				2016-17	Fails to Meet Expectations	
				2017-18	Fails to Meet Expectations	
				2018-19	Not Yet Available	

Attachment 9

iNACOL Self Evaluation

National Standards of Quality for Online Programs¹ Online Program Self-Evaluation Form

	<p>5 Exemplary: a model of best practice as related to this criterion 4 Accomplished: excellent implementation; comparable to other examples 3 Promising: good implementation; however, somewhat lacking in depth or detail 2 Incomplete: partial implementation of this criterion; additional work needed; good start 1 Confusing: not obvious; more work needed; not a good example N/A Not Applicable: Some standards may not apply to all types of programs</p>	5 - Exemplary	4 - Accomplished	3 - Promising	2 - Incomplete	1 - Confusing	N/A
A	<p>Mission statement — A mission statement of a quality online program clearly conveys its purpose and goals. It serves as the basis for the program’s day-to-day operations, as well as a guide for its strategic plans for the future. Communication between and buy-in from stakeholders is a critical component of a mission statement.</p>						
✓	States the purpose of the organization. Is clear and concise in articulating who the organization is, what it does and whom it serves.	5	4	3	2	1	N/A
✓	Indicates that online learning is the focus of the organization.	5	4	3	2	1	N/A
✓	Demonstrates a commitment to measurable quality and accountability.	5	4	3	2	1	N/A
✓	Reflects involvement of key stakeholders.	5	4	3	2	1	N/A
✓	Is made available to the public.	5	4	3	2	1	N/A
✓	Is reviewed periodically by program leadership.	5	4	3	2	1	N/A
	<p>Comments/Evidence: Mission: The Ohio Digital Learning School (ODLS) will deliver high-quality individualized academic and holistic supports to its students between the ages of 16 and 21 who have fallen behind in expected high school credits, have had gaps in completing high school, or need an education alternative due to crises that significantly interfere with academic progress for a variety of reasons. As a Dropout Prevention and Recovery school, ODLS will provide career path planning, including an Individual Career Plan for each student, and career path curriculum resulting in a high school diploma and preparation for future success in college and life. Accomplishing the School’s mission will be measured by student attainment of the fixed and comparable measures from SMART goals in credit acquisition as measured by course passing rates, attendance rates, graduation rates, Individual Career Plan implementation, and individual student academic growth as measured by the Northwest Evaluation Association Measures of Academic Progress (NWEA MAP) assessments. ODLS will engage students to become their own advocates in education through high expectations and goal setting. Individual self-awareness and advocacy skills will result in increased success in college and career attainment. The mission will be reviewed periodically by program leadership once program and team are established.</p> <p>(Please see pages 6-7 in the charter application for more detail)</p>						

INSTITUTIONAL

B								INSTITUTIONAL
Governance — Governance is typically provided by a Board of Directors, an Advisory Board or a School Board. In a quality online program, governance and leadership work hand-in-hand, developing the operational policies for the program and its leadership and staff.								
✓	Members are knowledgeable about K12 online learning and/or receive appropriate training after joining the governing board.	5	4	3	2	1	N/A	
✓	Supports the organization by securing necessary resources.	5	4	3	2	1	N/A	
✓	Fulfills the role defined for it in the by-laws of the institution.	5	4	3	2	1	N/A	
✓	Collaborates with program leadership to implement policies and procedures that are in compliance with state educational statutes and/or regional accrediting agencies.	5	4	3	2	1	N/A	
✓	The legal status of the online program is clearly defined with no ambiguities in ownership, control, or responsibility.	5	4	3	2	1	N/A	
<p>Comments/Evidence:</p> <p>In accordance with Ohio law, the Board of ODLS will govern ODLS as a public community school sponsored by OCCS. The Board will have ultimate responsibility for the policy development, operations, and finances of the School. In addition the Board views its primary purpose as supporting the educational endeavors of ODLS students and supporting the admin in providing a high quality operational, academic, and instructional infrastructure. The Board has five members that represent a broad diversity and experience in the defined areas of curriculum, instruction, and assessment; business leadership and administration; legal or legislative; finance and accounting; parent of ODLS student; and board governance.</p> <p>(Please see pages 36 - 40 in the charter application - School Governing Authority, Organizational Capacity - for more detail.)</p>								
C								INSTITUTIONAL
Leadership — The leadership of a quality online program is accountable to the program’s governance body, and is responsible for setting and meeting the operational and strategic goals in support of the program’s mission and vision statements.								
✓	Is responsible for meeting the organization’s annual goals and communicating these goals to its constituents.	5	4	3	2	1	N/A	
✓	Maintains a disciplined knowledge of its future with projections of income, expense, enrollment, and trends in its educational and business environment.	5	4	3	2	1	N/A	
✓	Provides a productive collaborative environment for learning and work, and the leadership necessary to plan both day-to-day operations and the long-term future of the online program.	5	4	3	2	1	N/A	
✓	Verifies that measures are in place to ensure quality, integrity and validity of information.	5	4	3	2	1	N/A	

	<p>Comments/Evidence: The administrative staff will manage the School, handling all day-to-day academic, operational, and management issues. School leaders will be administrators with demonstrated leadership experience. Staff will be expected to demonstrate expertise in curriculum, instruction, assessment, finance, facilities, business management, governance, and administration based on their positions. Administrative staff will include a Head of School (HOS), Academic Administrator, Special Programs Manager, and Operations Manager. All new leadership will complete an extensive training program through K12 known as LEAD360, which focuses on leadership development and school improvement.</p> <p>(Please see pages 41-42 in the charter application for more information regarding Lead360 and Training.)</p>	INSTITUTIONAL						
D	<p>Planning — A quality online program makes planning, managed by the leadership and staff of the organization a regular part of the program. There are several types of planning activities, including strategic planning, long-range and operational planning, which defines annual goals. Effective planning is not a one-time activity, but instead should provide opportunities for reflection on how to improve the organization’s performance.</p>							
Strategic Plan								
✓	Is developed that addresses 3-5 years of actions and has been approved by the program’s leadership and governance.	5	4	3	2	1	N/A	
✓	Is updated on a regular basis (at least every 3-5 years) and includes historical data, baseline information, trend data, and projections, allowing data-driven decision-making.	5	4	3	2	1	N/A	
✓	Addresses the requirements for resources that effectively and efficiently serve their students and faculty, including curriculum, technology, support, professional development, and fiscal viability.	5	4	3	2	1	N/A	
Organizational Goals								
✓	Are aligned with the strategic plan.	5	4	3	2	1	N/A	
✓	Are updated annually based on past year’s accomplishments.	5	4	3	2	1	N/A	
✓	Are shared and supported throughout the organization.	5	4	3	2	1	N/A	
	<p>Comments/Evidence: K12 managed schools engage in annual continuous improvement planning as well as ongoing planning throughout the year. Schools complete a needs assessment every spring and those results are leveraged to execute the school’s one-year and multi-year strategic plan. The School will deliver high-quality individualized academic and holistic supports to its students between the ages of 16 and 21 who have fallen behind in expected high school credits, have had gaps in completing high school, or need an education alternative due to crises that significantly interfere with academic progress for a variety of reasons. As a DOPR school, ODLS will provide career path planning, including an Individual Career Plan for each student, and career path curriculum resulting in a high school diploma and preparation for future success in college and life. Specific strategic planning for ODLS will mature over the next year as the school completes its first year.</p> <p>(Please see pages 33-36 in the charter application for an explanation of proposed outcomes and outcome support teams.)</p>							

INSTITUTIONAL

E	Organizational Staffing — A quality online program recognizes appropriate levels of staffing are critical to the success of an online program. Staff should be well-trained in order to successfully meet their performance goals, and are provided with appropriate levels of support, resources, feedback and management.							INSTITUTIONAL
✓	Sufficient professional, administrative and support staff are provided to carry out the mission and annual organizational goals.	5	4	3	2	1	N/A	
✓	Ongoing training and support are provided to the staff to carry out the mission of the program.	5	4	3	2	1	N/A	
✓	Clearly defined roles and responsibilities are evident to create a collegial team to assure effective delivery of quality education.	5	4	3	2	1	N/A	
✓	Evaluations of staff and faculty occur on a regularly scheduled basis.	5	4	3	2	1	N/A	
<p>Comments/Evidence: Staff of K12 managed schools have an extensive network of support and resources to access as needed. Training is individualized such that employees receive the training that he/she specifically needs to clearly understand his/her job responsibilities and functions. Staffing levels are determined by enrollment and complexity of schools, since some staff at the regional and national level give additional support to the managed schools. Formal performance evaluations are conducted annually, with informal feedback given on an on-going basis. During a teacher's, leader's, and staff member's first year, K12 will provide Virtual New Staff Training, Virtual New Staff Support Program, a mentor, and an Instructional Coach for math and English Language Arts teachers. Returning staff will receive refresher training through the Virtual Returning Training, Virtual Returning Support Program, and one-on-one instructional coaching for teachers. Monthly PD cohorts are available for all.</p> <p>(Please see pages 13-15 in the charter application for additional information regarding new teacher training and ongoing professional development.)</p>								
F	Organizational Commitment — In a quality online program governance, leadership and staff are responsible for creating an organization that demonstrates a commitment to attaining the program's goals and mission statement. Everyone within the organization understands the mission statement and works to achieve it.							INSTITUTIONAL
✓	Activities and accomplishments of the organization are aligned to the mission statement.	5	4	3	2	1	N/A	
✓	Programs that function under the authority of another educational organization have a demonstrated commitment from the parent organization to support the implementation and ongoing operation of this program.	5	4	3	2	1	N/A	
✓	Sustainability of the program is articulated through strategic and operational planning and implemented through ongoing operations (e.g. commitment to sustainable funding, maintaining quality staff, and compliance with applicable educational statutes).	5	4	3	2	1	N/A	
✓	Is accredited by a recognized accrediting body.	5	4	3	2	1	N/A	

	<p>Comments/Evidence: The key operations and performance metrics of K12 online programs are centered around student success in alignment with the mission statement. K12 online programs consistently receive clean audits, both financial and programmatic. K12 Inc. has corporate accreditation through AdvancED. Most K12 managed online programs are also accredited through regional accrediting agencies.</p>													
G	<p>Financial and Material Resources — A quality online program has adequate financial and material resources to accomplish the mission of the organization. These resources are appropriately planned for and expended using sound business practices.</p>	INSTITUTIONAL												
✓	<p>Are available to assure a quality educational experience in alignment with the organization’s mission statement.</p>								5	4	3	2	1	N/A
✓	<p>Are managed in a responsible manner according to prescribed budget and accounting principles.</p>								5	4	3	2	1	N/A
✓	<p>Are allocated in support of mission statement that demonstrates sustainability over time.</p>								5	4	3	2	1	N/A
<p>Comments/Evidence: As a school to be managed by K12, ODLS will be supported by K12's state, regional, and national finance staff. Budgets will be created responsibly and all accounting will follow state accounting rules. K12 will ensure financial sustainability of the program as long as online programs are adequately funded in the state. (Please see page 44 and Attachment 7 in the charter application for more information regarding the School's budget.)</p>														
H	<p>Equity and Access — A quality online program’s policies and practice support students’ ability to access the program. Accommodations are available to meet a variety of student needs.</p>	INSTITUTIONAL												
✓	<p>Policies clearly state eligibility requirements for the program.</p>								5	4	3	2	1	N/A
✓	<p>Policies and practices are in place that provide accommodations for students with disabilities.</p>								5	4	3	2	1	N/A
✓	<p>Ensures that students have equitable access to the program consistent with its mission and purposes.</p>								5	4	3	2	1	N/A
<p>Comments/Evidence: ODLS will provide a free and appropriate education to all students under the Individuals with Disabilities in Education Act (IDEA). The program will have a special education coordinator on staff to ensure compliancy with state and federal guidelines on serving students with special needs. ODLS will work to accommodate students with all disabilities who are using the K12 web-based courses. ODLS will offer necessary accommodations by procuring the technology and other services required in the student’s Individualized Education Program (IEP) to aid students in navigating through their courses. Further, K12’s experience making web-based content more accessible to students with disabilities includes incorporating audio and video enhancements into the courses and using equivalent alternatives to accommodate various disabilities, such as using various forms of assistive technology. All materials meet the requirements of the National Instructional Materials Accessibility Standards (NIMAS). (Please see pages 24-31 - Special Student Populations - in the charter application for more information regarding accommodations to meet all students' needs.)</p>		INSTITUTIONAL												

I	Integrity and Accountability — In a quality online program, leadership is transparent in its management of the program, providing regular and timely information on progress towards attainment of goals, alignment with policies and standards, and achievement of student learning outcomes.	INSTITUTIONAL											
✓	The online program discloses accurate information relating to its mission, accreditation, courses and programs, services, policies, fees, recruitment processes and incentives, and other factors considered important to prospective and current students and stakeholders.							5	4	3	2	1	N/A
✓	The program results in learning appropriate to the rigor and breadth of the course, program, or diploma completion requirements.							5	4	3	2	1	N/A
Comments/Evidence: K12 managed schools provide accurate information to stakeholders and to the public on its programs. The K12 managed schools regularly share information about their programs through board meetings, press releases, annual reports, and other means.													
J	Curriculum and Course Design — A quality online program will have a well thought-out approach to its curriculum and course design whether it develops its own courses and/or licenses curriculum from other educational providers.	TEACHING AND LEARNING STANDARDS											
✓	Has clearly stated and attainable educational goals.							5	4	3	2	1	N/A
✓	Is clear and coherent in its organization.							5	4	3	2	1	N/A
✓	Utilizes quality instructional materials and appropriate technology that enable and enrich student learning.							5	4	3	2	1	N/A
✓	Demonstrates rigorous course content.							5	4	3	2	1	N/A
✓	Provides for high-degree of interaction between teacher, learners, parents, and among learners themselves.							5	4	3	2	1	N/A
✓	Embeds critical thinking, problem solving, analysis, integration, and synthesis abilities in learning activities.							5	4	3	2	1	N/A
✓	Meets requirements of appropriate state or national standards, including applicable end of course assessments.							5	4	3	2	1	N/A
✓	Meets requirements of accessibility for individuals with disabilities.							5	4	3	2	1	N/A
✓	Meets requirements of copyright and fair use.							5	4	3	2	1	N/A
✓	Is designed to accommodate different learning styles.							5	4	3	2	1	N/A
✓	Is designed with consideration for time and place limitations of students.	5	4	3	2	1	N/A						
Comments/Evidence: Please refer to the ODLS charter application in: Section A: Educational Plan and School Culture <ul style="list-style-type: none"> • Curriculum Alignment • Student Mastery of Academic Content Standards/Closing Achievement Gaps • Curricular Tools • How Curricular Elements are Responsive to ODLS Student Needs Section B: Instructional Practices <ul style="list-style-type: none"> • Research Basis for K12 Curriculum • A Research-based Pedagogical Basis. 													

K	Instruction — A quality online program takes a comprehensive and integrated approach to ensuring excellent online teaching for its students. This process begins with promising practices but is equally committed to continuous improvement and adaptation to student learning needs through professional development.	TEACHING AND LEARNING STANDARDS											
✓	Is grounded in the program’s mission, beliefs, and expectations for student learning.							5	4	3	2	1	N/A
✓	Is supported by research and best practice.							5	4	3	2	1	N/A
✓	Is continually refined based on assessment of stakeholders’ needs.							5	4	3	2	1	N/A
✓	Is adaptable to best serve different student learning styles.							5	4	3	2	1	N/A
✓	Is sensitive to the cultural differences of students.							5	4	3	2	1	N/A
✓	Includes frequent teacher to student interaction, teacher to parent interaction, and fosters frequent student-to- student interaction.							5	4	3	2	1	N/A
✓	Is sensitive to time and place limitations of students.							5	4	3	2	1	N/A
✓	Faculty hold the required state certifications.							5	4	3	2	1	N/A
✓	Faculty are trained in and demonstrate competency in online instructional methodologies and learning technologies.							5	4	3	2	1	N/A
✓	Includes a process to monitor that the work and assessments are completed by the students registered for the course.	5	4	3	2	1	N/A						
<p>Comments/Evidence: With the full-service school model provided by K12, ODLS will offer an effective public education that meets the unique needs of its students and families ensuring that every student reaches his or her true potential in accordance with the Ohio Learning Standards. ODLS will distinguish itself from other existing virtual high schools in Ohio because it will focus on at-risk and drop-out students in need of an alternative choice for their public school education. Knowing that all students do not learn in the same way, the School will provide a new and innovative model that may be a better fit for certain students, many of whom have fallen behind long before high school and most likely have given up on the goal of graduation. ODLS understands that individual students and families should have access to an array of high quality public education options. It will be recognized as a student-centered school, looking at each student as an individual and matching teaching method to individual learning styles and student performance. Please refer to the ODLS charter application in:</p> <p>Section B: Instructional Practices</p> <ul style="list-style-type: none"> • Instructional Program • Advisor Model • Instructional Framework • Teacher Professional Development <p>Section C Assessment</p>		TEACHING AND LEARNING STANDARDS											
L	Assessment of Student Performance — A quality online learning program values student academic performance and takes a comprehensive, integrated approach to measuring student achievement. This includes use of multiple assessment measures and strategies that align closely to both program and learner objectives, with timely, relevant feedback to all stakeholders.												
✓	Enables students to monitor their own learning progress.	5	4	3	2	1	N/A						
✓	Enables teachers to adapt their instruction to meet learner needs.	5	4	3	2	1	N/A						

✓	Uses multiple methods to assess student performance.	5	4	3	2	1	N/A	TEACHING AND LEARNING STANDARDS	
✓	Assesses a variety of types of student performance.	5	4	3	2	1	N/A		
✓	Uses formative assessments to inform instructional practice.	5	4	3	2	1	N/A		
✓	Informs ongoing course design and revisions.	5	4	3	2	1	N/A		
✓	Measures student attainment of the course's educational goals.	5	4	3	2	1	N/A		
✓	Provides for timely and frequent feedback about student progress.	5	4	3	2	1	N/A		
<p>Comments/Evidence: ODLS will administer multiple types of assessments throughout the school year for different purposes, and the K12 learning management system allows students to view and monitor their own academic progress. Students are assessed in a variety of ways, including NWEA Measures of Academic Progress (Reading and Mathematics), Readiness and Course Assessments, Formative Interim Assessments, End of Course Ohio State Tests, College and Career Readiness Tests (ACT or SAT), Alternate Assessment for Students with Significant Cognitive Disabilities (Grade 10 English Language Arts, Math, Science, Social Studies), Ohio English Language Proficiency Assessment, and vocational assessments. The ODLS application provides details regarding each assessment's purpose and timeframe for administration. Parents and students are given frequent feedback about progress via phone/web conferences, report cards, progress reports, and through the internal email messaging system.</p> <p>(Please see pages 18-23 in the charter application - Assessments - for more detail.)</p>									
M	Faculty — A quality online program supports the faculty by providing opportunities for them to develop their professional skills through mentoring, professional development, and technical assistance.								SUPPORT STANDARDS
✓	Provides and encourages participation in induction and mentoring programs.	5	4	3	2	1	N/A		
✓	Provides regular feedback regarding teacher performance.	5	4	3	2	1	N/A		
✓	Provides a wide variety of professional development opportunities.	5	4	3	2	1	N/A		
✓	Provides timely, effective technical support.	5	4	3	2	1	N/A		
<p>Comments/Evidence: All teachers who are new to a K12 managed online program participate in the Virtual National Teacher Training program. This training program consists of 40-50 hours of content and is completed over approximately two weeks. Teachers have access to experienced K12 educators through the teacher help desk during regular business hours. Teachers are given feedback on key performance metrics on a monthly basis. Ongoing professional development opportunities for both new and experienced online teachers takes place throughout the school year. The faculty also has access to a large library of computer based training on a wide range of topics. Teachers also participate in local, school-based professional development opportunities on approximately a monthly basis. Tech support is provided to teachers during regular business hours and processes are in place to ensure that teachers have rapid computer replacement when needed.</p> <p>(Please see pages 13 - 15 in the charter application for more detail regarding teacher supports and professional development.)</p>									

N	Students — A quality online program has student support services to address the various needs of students at different levels within the organization. The levels of support are appropriate and adequate for a student’s success.							SUPPORT STANDARDS
✓	Provides an orientation to online learning technologies and successful online student practices.	5	4	3	2	1	N/A	
✓	Provides academic and administrative services to address their academic and developmental needs.	5	4	3	2	1	N/A	
✓	Provides support services for individual needs.	5	4	3	2	1	N/A	
✓	Provides access to learning and assessment content, instruction, technologies and resources.	5	4	3	2	1	N/A	SUPPORT STANDARDS
✓	Establishes standards for teacher to student communication.	5	4	3	2	1	N/A	
✓	Provides timely and meaningful assessment feedback.	5	4	3	2	1	N/A	
✓	Provides timely, effective technical support.	5	4	3	2	1	N/A	
<p>Comments/Evidence: All students participate in an introduction to online learning course upon first enrolling in an online school. Working with parents and students, individualized learning and graduation plans are developed for all students to address the specific needs of each student. An internal email system is provided for communication between students and teachers, and students also have access to teacher phone numbers. Teachers are required to respond to student/parent inquires within 24 hours during the school week. For computer graded assessments, students have access to feedback immediately. For teacher graded assessments, teachers are required to give feedback within a reasonable amount of time. Students have access to technical support via a live technical support person available by phone 24 hours a day, 7 days a week.</p> <p>(Please see section B - Instructional Practices - in the charter application for more information regarding the full-service school model provided by K12.)</p>								

○	<p>Guidance Services — A quality online program has guidance services to support students and parents to ensure success of the online program. Depending on the program, these services are either directly provided by the program or a service provider, or in the case of supplemental programs, these services may be provided by the local school.</p>	SUPPORT STANDARDS											
✓	Ensures academic advising is provided for students to meet requirements of the program and/or school.							5	4	3	2	1	N/A
✓	Provides staff training in the unique student needs of online learning.							5	4	3	2	1	N/A
✓	Provides tools and/or information to assist students in determining the appropriateness of specific courses for their academic needs.							5	4	3	2	1	N/A
✓	Understands the network of services available to support online learning.							5	4	3	2	1	N/A
<p>Comments/Evidence: The ODLS Board will employ guidance counselors licensed within Ohio to provide guidance support to students. It is the job of the guidance counselors to ensure that every enrolled student is on a path to high school graduation. Students are provided with an online career and counseling tool that can help them learn about career and vocational paths, as well as help students learn about post-secondary opportunities. As required for a DOPR school by OAC 3301-102-10, ODLS will develop an Individual Career Plan for each student including a Graduation Plan that specifies the student's matriculation to a two-year degree program, acquiring a business and industry credential, or entering an apprenticeship. The Career Plan will be developed soon after enrollment then reviewed and updated as needed once per semester. The Advisor and Guidance Counselor team will provide career counseling and graduation planning and support for the student related to the Individual Career Plan as required by OAC 3301-102-10. They will closely monitor credit deficiencies and acquisitions throughout the student's enrollment to ensure that the goals of the Individual Career Plan are met.</p> <p>(Please see Section G - Outcome Support Teams - in the charter application for more information regarding guidance services for students.)</p>		SUPPORT STANDARDS											

P	<p>Organizational Support — A quality online program has organizational support to oversee the instructional learning environment as it is conveyed through technology. Some organizational support services may be distributed between the program and other entities, depending on the physical location where the students are taking their online courses.</p>	SUPPORT STANDARDS												
✓	<p>Provides an online learning environment that is appropriately maintained, secure and is a productive and safe work environment for students and staff.</p>								5	4	3	2	1	N/A
✓	<p>Provides a work environment consisting of the resources, tools, and organizational policies that enables staff to implement the program's mission, beliefs and objectives.</p>								5	4	3	2	1	N/A
<p>Comments/Evidence: K12 has significant resources invested in the systems and technology behind its online programs. Firewalls and other security measures are in place to ensure a safe working environment for students and staff. A combination of proprietary systems and third-party commercially available products are used to provide students and staff with the resources and tools necessary to support the online program.</p>														
Q	<p>Parents/Guardians — In a quality online program, parents and guardians play an integral part in their students' educational life. They work as a team with faculty, administrators, guidance services, and organizational support to ensure a quality educational experience for their students.</p>	SUPPORT STANDARDS												
✓	<p>Are provided information about the program, successful online student practices and supportive learning environments.</p>								5	4	3	2	1	N/A
✓	<p>Receive timely responses from faculty and staff.</p>								5	4	3	2	1	N/A
✓	<p>Receive critical information about student progress and are encouraged to communicate with faculty and administrators to best support the online learning student.</p>								5	4	3	2	1	N/A
<p>Comments/Evidence: While close involvement of parents/other responsible adult is encouraged in the high school grades, K12 also recognizes that not every student will come from a supportive home environment and will provide additional support systems for these students. Parents can access progress for their students' online work 24/7. Parents are provided with regular report cards on student performance, and they are also engaged when teachers are concerned about student progress. (Please see page 11 in the charter application for a description of the Learning Coach's responsibilities and supports.)</p>														
R	<p>Program Evaluation — A quality online program recognizes the value of program evaluation. Program evaluation is both internal and external and informs all processes that effect teaching and learning. Internal evaluations often are more informal in nature and may provide immediate feedback on a targeted area of inquiry. External program evaluations typically look at the entire program from an objective perspective that will bring additional credibility to the results.</p>													
✓	<p>Conducts ongoing internal evaluations that include regularly collecting and analyzing data based on national, state, and/or program metrics .</p>								5	4	3	2	1	N/A
✓	<p>Conducts ongoing internal evaluations that include using clearly articulated measures to evaluate its learners.</p>								5	4	3	2	1	N/A

✓	Conducts ongoing internal evaluations that include determining program success by measuring student achievement and satisfaction based on valid and reliable assessment techniques.	5	4	3	2	1	N/A	EVALUATION STANDARDS	
✓	Conducts ongoing internal evaluations that include ensuring students participate in state or national standardized testing, as appropriate and evaluating results against state or national data.	5	4	3	2	1	N/A		
✓	Conducts ongoing internal evaluations that include consistently evaluating faculty to assure instructional quality, using clear, consistent policies, measures and procedures.	5	4	3	2	1	N/A		
✓	Conducts ongoing internal evaluations that include reviewing and evaluating courses to ensure quality, consistency with the curriculum, currency, and advancement of the student learning outcomes.	5	4	3	2	1	N/A		
✓	Conducts periodic external evaluations that include validating internal evaluation process and results.	5	4	3	2	1	N/A		
✓	Conducts periodic external evaluations that include independently assessing progress towards goals, mission and strategic plan of program.	5	4	3	2	1	N/A		
✓	Conducts periodic external evaluations that include informing an improvement plan for the online program.	5	4	3	2	1	N/A		
✓	Program Evaluation communicates evaluation results to program stakeholders.	5	4	3	2	1	N/A		
<p>Comments/Evidence: K12 continually evaluates available data in an effort to evaluate its programs. When weaknesses are discovered, teams are formed to investigate and create action plans to address the weaknesses. The curriculum development team studies outcome data in an effort to continually improve the curriculum. Parents, students, teachers and leaders (where allowable by law) are also surveyed at least two times per year to give feedback on the K12 managed programs.</p> <p>(Please see page 22 in the charter application for a description of how assessment data informs instruction.)</p>									
S	<p>Program Improvement: A quality online program establishes a culture of continual program improvement. Improvement planning focuses on using program evaluations, research, and promising practices to improve student performance and organizational effectiveness. It fosters continuous improvement across all aspects of the organization and ensures the program is focused on accomplishing its mission and vision.</p>							EVALUATION STANDARDS	
✓	Uses strategic, long-range and operational planning and evaluation to continuously improve its educational programs and services.	5	4	3	2	1	N/A		
✓	Uses data effectively to drive instructional and management decision-making.	5	4	3	2	1	N/A		
Is based on:									
✓	Advancement of the program's vision and mission.	5	4	3	2	1	N/A		
✓	Student achievement.	5	4	3	2	1	N/A		

✓	Internal and external evaluation.	5	4	3	2	1	N/A
✓	Current research in the relevant areas.	5	4	3	2	1	N/A
✓	Promising practices.	5	4	3	2	1	N/A
Includes provisions for:							
✓	Beta testing and peer review.	5	4	3	2	1	N/A
✓	Satisfaction surveys by students, parents, teachers and schools as appropriate.	5	4	3	2	1	N/A
✓	Evaluation of curriculum and instruction as it relates to student achievement.	5	4	3	2	1	N/A
✓	Regular online teacher performance evaluations.	5	4	3	2	1	N/A
✓	Reviewing and updating policies and procedures.	5	4	3	2	1	N/A
✓	Reviewing appropriateness, effectiveness and quality of teaching and learning technologies.	5	4	3	2	1	N/A
✓	Regular online course reviews.	5	4	3	2	1	N/A
<p>Comments/Evidence:</p> <p>K12 managed programs are working in a constant improvement loop that encompasses all aspects of the school experience, including curriculum, teachers, the instructional model, school policies, etc. When new promising ideas emerge, K12 strives to roll out these ideas in a beta/pilot format in order to test effectiveness compared to a control before rolling out across the entire program. Satisfaction surveys are used regularly by the online programs to inform stakeholder satisfaction. An internal data analytics team provides detailed analysis of student tests scores, both on internal measures and on official state measures, to help the online programs understand better where to focus for academic improvement.</p> <p>(Please see page 32 in the charter application for a description of student and family satisfaction surveys. Also see Section G- Outcome Support Teams - for a description of the Ohio Improvement Process model.)</p>							

EVALUATION STANDARDS