

State auditors blast Web-based schools - Performance issues, oversight of online programs examined

Tuesday, December 12, 2006

Nancy Mitchell, Rocky Mountain News

State auditors on Monday released a blistering report on **online** education in Colorado, scolding the state education commissioner for a lack of oversight and calling for a halt on any new virtual schools until concerns are addressed.

The audit uncovered issues ranging from academic performance - **online** students perform worse on state tests, repeat grades more and are more likely to drop out - to lax monitoring that apparently has allowed state money to feed into private and religious schools housing **online** programs.

"I think we got everyone's attention," said state Sen. Sue Windels, D-Arvada, chairwoman of the Senate Education Committee who requested the audit, after its release in a hearing that ran more than three hours.

At least a third of the 89-page audit focuses on just one of the dozen **online** programs studied by state auditors, the **Hope Online** Learning Academy Co-op, chartered by the tiny **Vilas** School District in southeastern Colorado.

Hope, which operates 81 learning centers across the state, was criticized for a lack of qualified teachers, incomplete criminal background checks for staff and failing to ensure its centers meet fire safety codes.

"While we are completely open and thrilled to have feedback from the audit committee - and from anybody, quite frankly - most of the things in that are issues we are already addressing," said **Hope** spokesman Steven Shapiro.

In one case, auditors cited a center in a basement room that had one door and high windows, "raising concerns about whether students would be able to evacuate in case of an emergency."

In another example, they said **Hope**'s failure to complete background checks for those working directly with children means "there is an increased risk of harm to students enrolled in the school."

State, religious funding

But auditors spend the most ink on the concern that has prompted the biggest outcry about **Hope** - that its tax dollars are supporting private and religious schools.

After visiting seven centers, including three in religious schools and one in a church, they concluded that there is "a high risk" that is occurring.

One private school enrolled all of its kindergartners and first-graders in its **Hope** learning center.

"As a result, public funds are paying for these kindergartners and first-graders to receive an education that consists largely of private courses," the audit found.

Another private religious school co-mingled \$250,000 in state **Hope** money with its private-school tuition, auditors said, so "it is not possible to track whether public funds are used only to support the provision of the **online** curriculum and not to fund private education expenses."

What is clear, they said, was that some **Hope** students are exposed to religious materials and some **Hope** parents are confused about their children's schools.

At one **Hope** center, students are automatically enrolled in a religious class unless they formally request to opt out. Student handbooks given to **Hope** at three of the seven centers visited by auditors contained religious material.

And some parents believe **Hope** is a private school. One parent told auditors that the director of the center described it as a "publicly funded private school." Another parent thought her child was in a private school on scholarship.

"There weren't very many surprises" in the audit, Shapiro said, "because they're things we have already been working on . . . We're very confident we can get operational."

Hope President Heather O'Mara, in response to a recent spate of critical media reports, recently announced a series of reforms for **Hope**, including the hiring of a chief compliance officer and four compliance auditors.

They will be visiting centers to ensure **Hope**'s policies are implemented correctly, O'Mara has said, including a clear prohibition against using **Hope** dollars for any private or religious school activities.

"We've been very clear about what the rules and regulations are around this," Shapiro said, "it's just the implementation . . . there's been a lack of clarity."

Lack of oversight blasted

State auditors also criticized the **Vilas** School District and the state Department of Education for failing to adequately oversee **Hope** and its centers.

They recommended state officials give **Vilas** a year to improve student performance and operations at **Hope** and its two other **online** programs, as well as those of its single school building. If no progress is made, they urged the state to yank the district's accreditation.

Such a move would be the first time in Colorado history that a district has lost its state seal of approval.

Vilas Superintendent Joe Shields called a special school board meeting Monday night to review the audit and to approve a six-page corrective action plan.

The plan addresses each school separately, he said, including the addition of two **Vilas** administrators to work in the metro area and oversee **Hope** operations.

"We're going to fix it," Shields said. "We're going to go ahead and pursue this aggressively."

Other districts singled out for criticism include Cotopaxi, west of Canon City, which auditors say has received **online** education funding for what is essentially a home- schooling program for the past five years. They said another small district, Karval, gets **online** funding for its kindergartners though they don't do their work on computers - it's mailed or faxed.

Education Commissioner William Moloney said he is willing to work with state lawmakers to make changes. But he also said the audit did not address a basic issue - why more than 6,000 children have now left traditional classrooms for **online** learning.

INFOBOX

Audit of **online** schools

State auditors on Monday released a critical look at K-12 **online** education programs across Colorado. Auditors reserved their harshest words for the **Hope Online** Learning Academy Co-Op, the rapidly growing charter overseen by the tiny **Vilas** School District in southeastern Colorado. Some highlights of the 89-page report and recommendations:

Overall **online** education issues

* ACADEMIC STRUGGLES

An analysis of student data over three years found **online** students perform worse on state exams than their peers across Colorado, and the performance gaps are larger in middle and high school. On average, the audit found, **online** students' performance on state exams actually declines over time.

* TEACHER QUALITY QUESTIONS

Five of the 12 **online** schools audited did not appear to comply with either state licensing requirements or with federal rules mandating teachers have completed college courses in their subjects. **Hope** , for example, had four licensed teachers for 1,500 students.

* OVERSIGHT LACKING

Colorado Department of Education officials did not follow their own monitoring rules. Despite recurring problems with **online** programs in four of seven school districts reviewed in the audit, state officials did not place them on academic probation.

Online schools typically said their student achievement was poor because their kids are "at risk," but there is no standard definition for that term. Some schools said their students were at risk if they had jobs or participated in rodeo programs.

Taking aim at **Hope**

The charter with 81 learning centers across Colorado was specifically cited in the audit for several issues, largely because of its unique format. Students of other **online** schools typically work on computers at home while **Hope** sets up computer-filled learning centers for its pupils, many located inside churches and private schools. Some findings:

* USE OF PUBLIC FUNDING IN PRIVATE, RELIGIOUS SCHOOLS

Auditors visiting seven learning centers raised numerous concerns about the use of state school money. At two centers, **Hope** students spent two hours **online** and the rest of their day in private school classes. One parent reported her child preferred working on **Hope** lessons but was required to attend private school classes.

One private religious school co-mingled its state **Hope** dollars with its private-school tuition, making it impossible to track what the money was used for. Students at another center were automatically enrolled in a religious class unless they formally requested to opt out.

* LAX CRIMINAL BACKGROUND CHECKS

Hope did not verify its mentors, who work with students in its 81 centers, had undergone criminal history checks. After auditors raised questions, about eight months into the 2005-06 school year, **Hope** officials said they ran checks. Auditors sought to verify that but found 27 percent of the names in their sample had never been checked.

* FIRE INSPECTION REPORTS LACKING

Hope did not have fire inspection reports for three of the seven learning centers studied by auditors. Auditors visited one center located in a basement which had only one door and high windows, "raising concerns about whether students would be able to evacuate," the audit report states.

Recommendations for change

State auditors listed 16 recommendations for the Department of Education to improve K-12 **online** education programs in Colorado. Among them:

* Analyze performance of students in **online** schools, report it annually to the state Board of Education and develop guidelines to improve performance.

* Seek legislative authority to levy penalties on districts where **online** schools are not making

progress.

- * Work with lawmakers to define the role of **online** teachers and ensure districts employ licensed teachers.

- * Enhance its annual oversight of school districts to ensure state money is not used for private or religious education.

- * Work with lawmakers to establish a unit or staff that will directly accredit **online** schools, approve new **online** schools, and approve and operate **online** schools

- * Consider seeking a statutory moratorium on new **online** schools.

- * Revoke state accreditation of the **Vilas** School District, which oversees the **Hope Online** Learning Academy Co-Op and two other **online** programs, if it does not correct problems within a year.

State audit Q&A

What's an **online** school?

State law defines an **online** education program as one that "provides a sequential program of instruction for the education of a child who resides in Colorado through services accessible on the World Wide Web."

What triggered the audit of **online** schools?

The audit was performed in response to a legislative request.

What did the auditors do?

They reviewed documents and interviewed personnel in the Department of Education; visited a sample of **online** schools; analyzed academic performance and funding data for fiscal years 2003 through 2006; and surveyed parents and students.

What schools were examined?

The audit included a sample of 12 **online** schools with more than 6,100 enrolled students and \$32.5 million in funding in the current fiscal year. The schools reviewed represent 99 percent of all students enrolled in **online** schools and 99 percent of the associated funding for the year.

What were auditors looking for?

The audit addressed programmatic and policy issues related to **online** schools but did not include in-depth financial review or testing of individual financial transactions of the **online** schools or school districts.

Source: **Online** Education, Department Of Education, Performance Audit, Nov. 2006