The background of the top half of the page features a large, light blue, semi-transparent seal of the State of Oregon. The seal is circular and contains an eagle with spread wings at the top, a ship on the left, a sun with rays in the center, and a plow on the right. The words "SEAL OF THE STATE OF OREGON" are written around the perimeter, and the year "1859" is at the bottom.

State of Oregon

**Stronger Accountability, Oversight,  
and Support Would Improve Results  
for Academically At-Risk Students in  
Alternative and Online Education**

December 2017

Secretary of State  
**Dennis Richardson**

Audits Division, Director  
**Kip Memmott**

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## Stronger Accountability, Oversight, and Support Would Improve Results for Academically At-Risk Students in Alternative and Online Education

### Report Highlights

The Secretary of State's Audits Division found that the Oregon Department of Education (ODE) has not focused on improving education for at-risk students in alternative and online schools and programs, though they account for nearly half the state's high school dropouts. Sharpening Oregon's focus would improve accountability, district oversight, and school and program performance, and would benefit at-risk students and the state's economy.

### Background

Many vulnerable students attend Oregon's alternative schools and programs and online schools. Responsibility for improving education for those students is shared by ODE, school districts, and others.

### Audit Purpose

To determine how ODE and school districts can help increase the success of academically at-risk students in alternative and online education. Online and alternative education schools and programs also serve students who are not academically at-risk. The audit did not focus on their effectiveness with these students.

### Key Findings

1. ODE has not adequately tracked and reported on the performance of alternative schools and programs. As a result, the state lacks critical information about school and program effectiveness.
2. Enhanced state monitoring and support, and more robust district oversight could improve results for at-risk students in alternative schools and programs, and in online schools.
3. Some states have held districts, alternative schools, and programs to high standards and provided more support to help at-risk students succeed.
4. Other states have also increased oversight of fast-growing online schools. In contrast to these states, Oregon's laws allow online schools to increase enrollment rapidly regardless of their performance.

To reach our findings, we interviewed multiple stakeholders, reviewed documents, analyzed school performance data, researched practices in other states, visited schools, and surveyed all of Oregon's school districts. Our office also released an audit of graduation rates recently that focuses on students in traditional high schools.

### Key Recommendations

This audit includes recommendations designed to improve results for at-risk students in alternative and online schools and programs. ODE should develop a more meaningful accountability system for alternative and online education. The agency should establish and monitor standards for crucial practices, such as annual district evaluations of these schools and programs. ODE should also strengthen state attendance and funding standards for online schools.

ODE generally agreed with our recommendations. The agency's response can be found at the end of the report.



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## About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of his office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the elected Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division has constitutional authority to audit all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

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We sincerely appreciate the courtesies and cooperation extended by officials and employees of the Oregon Department of Education and of the districts and schools we visited during this audit.



## Stronger Accountability, Oversight, and Support Would Improve Results for Academically At-Risk Students in Alternative and Online Education

### Introduction

#### Many of Oregon's most academically at-risk high school students attend alternative schools and programs and online schools

Enrollment in Oregon's alternative schools and programs and online schools is a small percentage of the state's public school enrollment. However, judging by dropout rates, these schools serve a high proportion of the most academically at-risk students in the state.

Together, alternative schools and programs and online schools accounted for about 10% of Oregon's public high school enrollment in the 2015-16 school year, but nearly half the state's dropouts. Combined, the dropout rate for online schools and alternative schools and programs was 18%, more than four times the 3.9% state average. The dropout rate at traditional high schools was roughly 2%.

**Figure 1: Breakdown of Oregon Grade 9-12 Enrollment and Dropouts, 2015-16 School Year \***

	Online Schools	Alternative Schools **	Alternative Programs
Total Enrollment	4,600	5,950	8,600
% of statewide enrollment	2.5%	3.3%	4.7%
Total number of dropouts	730	990	1,660
% of statewide dropouts	10%	14%	23%
Dropout rate	16%	17%	19%

\* Source: Auditor analysis of ODE's 2015-16 Dropout Report.

\*\* Includes online alternative education schools.

In the 2015-16 school year, alternative and online schools made up many of the lowest-performing Oregon schools in terms of dropout rates, five-year graduation rates, and five-year completion rates.<sup>1</sup>

<sup>1</sup> Five-year completion rates include students who earn regular diplomas, modified diplomas, extended diplomas, adult high school diplomas, and General Equivalency Degrees (GEDs). Graduation rates include only students who earn regular or modified diplomas.

Some key terms and definitions:

**Academically at-risk students:** For this audit, we focused on students who are not on track to graduate on time or are at risk of dropping out. Aside from a designation of freshmen as being “on track” or “not on track” at the end of their first year, the Oregon Department of Education (ODE) does not collect data on how many students are academically behind or credit deficient in a given school.<sup>2</sup> Outcome measurements, including dropout rates, do indicate schools where these students are highly concentrated.

**Traditional High Schools:** Traditional high schools, operated by districts, serve about 90% of public high school students in Oregon. Many academically at-risk students enter alternative schools and programs and online schools because traditional school settings were not effective for them.

**Alternative Schools:** Alternative schools are stand-alone schools with their own “report cards,” public documents prepared by ODE that show school performance data such as graduation rates and test-score performance. Many of these schools are designed to serve academically at-risk students, often late in their high school tenure. They may offer small class sizes, strong connections with teachers, and more individualized instruction. We counted 33 stand-alone alternative schools in Oregon as of June 2016, enrolling about 6,000 students.

**Alternative Programs:** Alternative programs also typically serve academically at-risk students, but they are not separate, stand-alone schools. Instead, they operate within high schools or as offerings by districts, education service districts, or the state. They include dropout re-engagement programs, juvenile detention programs, and relatively large programs operated by districts, community colleges or private non-profits, such as the Rosemary Anderson High School campuses in Multnomah County. They do not have separate report cards; instead, their results are folded into high school or district results. We counted more than 100 such programs in Oregon, enrolling roughly 8,600 high school students.

**Online Schools:** Online or “virtual” schools offer all or most of their courses online and attract a wide range of students. Online schools can appeal to advanced students who want to move quickly through high school, and to students in small rural schools who want a wider variety of classes. They offer flexibility for traveling students, such as elite athletes and musicians, and for students who work during the day or need to be at home. They draw a significant number of students from families who previously home-schooled. And, they attract students who have fallen behind academically. These students used to have traditional alternative

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<sup>2</sup> Oregon students need to earn 24 or more high school credits to graduate. Freshmen who earn less than six credits by the end of their first year (or less than 25% of their district’s graduation requirements, whichever is higher) are considered credit deficient, as are sophomores with less than 12 credits, juniors with less than 18, and seniors with less than 24.

education schools and programs as their main option, but can now choose online schools as well.

We counted 20 online schools in Oregon, enrolling more than 5,000 high school students. Of those, six are administered by districts, including five specifically designated as alternative schools. The other 14 are “charter” schools that sign a charter, or contract, with a school district sponsor. Some of these schools are entirely online, with minimal face-to-face interaction between students and teachers. Others are “hybrids,” offering “brick-and-mortar” classrooms for face-to-face tutoring or class instruction.

ODE does not track credit attainment, but other ODE data suggests that online schools, like alternative schools, have academically at-risk students enrolling late in their high school tenure. In 2015-16, 12th graders enrolling after the start of the school year totaled just 3% at comprehensive high schools, but 21% at online schools and 31% in alternative high schools and programs.

**Many at-risk students may enroll in alternative and online education when they may be relatively close to dropping out.**

ODE data also suggests that many academically at-risk students enroll in both alternative and online education when they may be relatively close to dropping out. On average, students who dropped out in the 2015-16 school year had been in alternative and online schools and programs just 400 days before they quit school. Dropouts from traditional high schools were at the schools nearly double the time, just under 800 days.

Online schools enroll a variety of students, including students who have struggled in traditional schools, one head of school at a statewide online school told us. For those students, he said, “online schools have become the new alternative schools in Oregon.”

## **Other student characteristics differ between online and alternative schools and programs**

High school students at both alternative and online schools tend to be more “mobile,” switching schools more often than traditional Oregon students. Overall, though, online schools have lower proportions of economically disadvantaged high school students than the state as a whole – 41% versus 48%. They also have lower proportions of students with disabilities and students from historically underserved races and ethnicities.

Alternative schools and programs are different. We estimate about 70% of high school students in the alternative schools we identified were economically disadvantaged in 2015-16.

Alternative schools and programs also have higher proportions of students with disabilities compared to state averages, more mobile students, and more students in historically underserved racial and ethnic groups. (See Figure 2 on following page.)

**Mobile Students:** Students who attend two or more schools during the school year; enter school after Oct. 1; exit by the first school day in May; or have a 10-day enrollment gap.

**Economically Disadvantaged:** Students eligible for free or reduced priced meals.

**Students with Disabilities:** Students on an Individualized Education Program receiving special education services.

**Historically Underserved Race/Ethnicity:** Students who are Black/African American, Hispanic/Latino, American Indian/Alaska Native, or Native Hawaiian/Pacific Islander.

These demographics can create equity issues – the potential for inadequate service to poor or historically disadvantaged students – if alternative schools and programs do not meet student needs.

**Figure 2: Grade 9-12 Student Population Characteristics, 2015-16 School Year**

	Statewide	Online Schools	Alternative Schools	Alternative Programs
Highly Mobile	19%	50%	60%	73%
Economically Disadvantaged <sup>3</sup>	48%	41%	70%	51%
Disabilities	14%	10%	21%	38%
Historically Underserved Race/Ethnicity	26%	15%	35%	34%

### Many students face substantial personal challenges

Academically at-risk students can also face challenges that do not show up in the statistics.

“I feel like a lot of the kids here are like me, and they were having the same problems at other (traditional) schools. If somebody did harass me, I would have people here who would help me.”

**-An alternative school student**

At alternative schools, the smaller class sizes and potential for closer ties to adults may simply make the schools a better fit for students struggling to graduate on time. But students can face substantial personal challenges beyond being behind in school. Some have been bullied at previous schools based on their weight, sexual orientation, or gender identity, for example. Some have anxiety, depression, or other mental health problems. Some face violence or other personal or family trauma.

Teachers at alternative schools told us of students with acute childhood trauma, including frequent moves, divorce, and abuse. “Most students might have two or three major traumatic events in their childhood,” one teacher said. “Here it tends to be six or seven.”

Like alternative schools, online schools also enroll students who are “extremely challenged” in some aspect of their life, a teacher at a district online school told a legislative committee earlier this year.

That includes medically fragile students. It also includes “high anxiety students who can’t function in a packed classroom of 35 to 45 students,” the teacher said, “students being bullied, students being moved around in the foster care system, students whose families are uprooted for economic reasons, students who must work to support their families, students who

<sup>3</sup> The percentage of economically disadvantaged students at a school is based on students’ eligibility for free and reduced-price lunches. Since 2014, 100% of students at some schools, including some alternative schools, have automatically qualified for the lunch program under a new “community eligibility” standard. To obtain a more conservative estimate, where possible we adjusted the percentage of economically disadvantaged students at those alternative schools back to the last percentage the school reported before the community eligibility standard took effect.

must stay home to care for younger siblings or perhaps an elderly family member, and students who are already parents themselves.”

### **Alternative and online schools perform poorly on most traditional measures**

Oregon’s accountability system includes not only school report cards, but also separate public reports that give school-level results on graduation rates, dropout rates, attendance, class sizes and other metrics. The system is designed to increase education system accountability to the public and policy makers, providing data on how schools and districts are performing.

Alternative and online schools tend to have relatively poor results on traditional outcome measures, such as graduation rates and dropout rates.<sup>4</sup>

The outside challenges students face partially explain the low results. The schools are also challenged when students arrive credit deficient and late in their high school careers. However, credit deficiency and student challenges may not explain all of the low performance.

ODE compares school performance to the performance of “like” schools – schools with similar demographics – to obtain fairer comparisons of school performance. We reviewed like-school comparisons on five performance measures, including graduation rates and test scores. Overall, alternative and online schools ranked below their like-school average about two-thirds of the time.

Performance trends at the schools show mixed results. In the last three years, 5-year completion rates rose 2.5% at online schools overall, a positive development. But overall online school dropout rates did not improve. At alternative schools, performance fell in both categories – dropout rates rose slightly and completion rates fell by about 6 percentage points. Both rates stayed flat for the state as a whole.

These measures can serve as rough indicators, but they have flaws. ODE notes that the like-school comparisons include only four demographic comparisons between schools, not a high level of precision. Improvement over time can be distorted by changes in the composition of the student body at a school in a given year.

As we discuss in our audit findings, more specific performance data, including data on student progress, would better pinpoint which schools are helping at-risk students the most.

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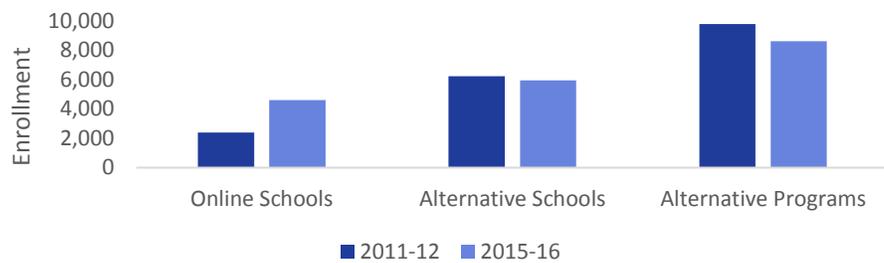
<sup>4</sup> See Appendix A for a list of the schools and their performance on some traditional measures.

## Online school enrollment is rising; enrollment in alternative schools and programs is falling

High school enrollment in Oregon’s online schools, excluding alternative online schools, nearly doubled from 2012 to 2016, rising 93% to 4,600 students. Oregon’s overall high school enrollment grew just 3% in that same period. Most of the online growth came from online or “virtual” charter schools, including seven that draw students from across the state.

High school enrollment in alternative schools and programs has fallen about 4% and 10%, respectively, since 2012. Total alternative enrollment remains considerably larger than the online school enrollment, however.

**Figure 3: High School-Age Enrollment Growth, School Years 2011-12 to 2015-16**



## Improving alternative and online education involves multiple layers of government

Under Oregon’s system, school districts, school boards, charter boards, ODE, the State Board of Education, and education leaders in the Governor’s office all have responsibility for improving alternative and online education.

ODE administers state and federal grant programs, ensures school districts comply with laws and rules, and holds districts and schools accountable by reporting student performance information. The State Board of Education sets educational policies and standards for Oregon’s public schools.

ODE has 468 departmental positions, with a half-time specialist assigned to alternative education, and two staff assigned to charter school duties, which cover virtual and brick-and-mortar charter schools. Other ODE staff also contribute, including school improvement staff and data analysts.

Oregon’s 197 school districts are responsible for governing their schools consistent with State Board of Education policies. Districts establish and evaluate alternative schools and programs, set school days and hours, and determine their curriculum.

Legislators approve funding through the State School Fund, which includes a substantial share of state income taxes collected each biennium. Through

**ESSA changes that may affect alternative education:**

- School report cards include per-pupil expenditures.
- State accountability system has at least one non-academic measure of school quality.
- Some key improvement efforts must target high schools graduating less than two-thirds of students.

the bills they pass, legislators also send important signals of what they expect from schools, districts, and state-level education officials.

The federal government also plays a large role. The new Every Student Succeeds Act (ESSA) provides federal funds that support students in poverty and other historically underserved groups. It also requires states to have an accountability system that meets certain requirements. ESSA gives states some flexibility in designing accountability systems and in identifying and supporting schools and districts that need improvement. Federal officials approved Oregon's ESSA plan in August 2017.



Portraits of some of the students we spoke with during our school visits.

## **Audit Objective, Scope, and Methodology**

### ***Objective***

Our objective was to determine how ODE and school districts can help increase the success of academically at-risk students in alternative and online education schools and programs.

### ***Scope***

We focused on improving outcomes for academically at-risk students enrolled in alternative education schools and programs as well as online schools.

Online and alternative education schools and programs also serve students who are not academically at-risk. The audit did not focus on their effectiveness with these students. We also did not focus on at-risk students in traditional high schools because our office conducted a separate audit of graduation rates that focused on students in traditional high schools. That audit (Report Number 2017-29) was released on December 19, 2017.

### ***Methodology***

To address our objective, we conducted interviews with multiple stakeholders. Among them were the Oregon School Board Association, Confederation of Oregon School Administrators, Oregon Education Association, Youth Development Council, Coalition of Communities of Color, National Alliance of Charter School Authorizers, Chalkboard Project, AdvancED, and education researchers. We also conducted interviews with Oregon's Chief Education Officer, Chief Innovation Officer, and ODE management and staff in the following departments: alternative education; charter school oversight; school improvement; accountability and reporting; finance; and research.

We visited eight alternative schools, one private alternative education school contracted as an alternative program, and two online programs that maintain a physical location. We also conducted interviews with personnel at five other online schools. As part of our school visits, we conducted interviews with school and district administrators, teachers, and students; toured school buildings; and reviewed referral policies, accreditation annual reviews, school improvement plans, charter contracts for virtual charters, annual reports, renewal documents, and financial information. We judgmentally selected locations to visit to obtain a diverse sample in terms of geography, student population, and relative school or program performance.

We sent an online survey to every district in Oregon to try to establish an accurate list of alternative schools and programs and online schools. Of the 197 districts that received a survey, 131 districts responded (66% response rate). We sent 40 of the districts a list of additional questions about program evaluation, improvement planning, resources, and support

from ODE. We selected the 40 districts based on at least one of the following criteria: students enrolled in alternative education in the district exceeded 5% of the total district student population; the district enrollment exceeded 5,000 students but the district did not submit information in the ODE alternative education data collection; or the district housed a school or program the audit team considered for a possible site visit. We received responses from 34 of the 40 districts. The results of the 40-district survey cannot be generalized to all Oregon districts.

We identified promising practices for alternative and online education by reviewing available research, interviewing education officials in other states, and attending an alternative education summit in Oregon. The research included best-practice documents from national groups focused on alternative and online schools, for example, and studies of online school performance.

We analyzed data provided by ODE and collected by the audit team. This included data on school and program performance, enrollment and transfer trends, information on dropouts, and student demographics. We assessed the reliability of school performance data by (1) evaluating previous assessments of reliability by other Oregon Audits Division auditors; (2) reviewing existing information about the data and the system that produced them; and (3) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

However, our analysis was limited by incomplete and inaccurate lists of schools and programs ODE provided. We concluded that ODE's lists of alternative schools and programs and of online schools were not sufficiently reliable for our purposes. We took other steps to attempt to create accurate lists, including asking districts about their alternative and online offerings in our surveys. However, we may not have captured all of Oregon's alternative and online schools and programs. We rounded numbers in the report to reflect this uncertainty.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained and reported provides a reasonable basis to achieve our audit objective.

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## **Audit Results: Stronger Accountability, Oversight, and Support Would Improve Results for Academically At-Risk Students in Alternative and Online Education**

ODE has not focused on improving education for at-risk students in alternative and online education. Improving the performance of these schools and programs would benefit the students themselves and Oregon's economy.

These schools and programs may represent a student's last and best chance to graduate or obtain a General Equivalency Degree (GED) before dropping out. That is important, research indicates, because graduates are more likely to have jobs, less likely to be incarcerated, and less likely to rely on public assistance than students who drop out. Graduates contribute more in taxable income. They are also less likely to have problems with drugs, and more likely to live long, healthy lives.

Alternative and online programs are trying different approaches to better serve academically at-risk students. With improved monitoring and oversight, ODE and districts can identify which approaches are and aren't working, assist struggling programs, and share successful practices.

Oregon has a low graduation rate overall – 48th among the states in the last national ranking<sup>5</sup> – in part because of high dropout rates among alternative and online students. Our office recently released an audit of graduation rates that focused on students in traditional high schools. The recommendations in both audits should help more students earn diplomas.

### **ODE does not accurately track alternative education schools and programs and is not collecting, analyzing, and reporting meaningful performance information**

ODE records do not include some alternative schools and programs. The agency has also not collected student performance data that would help identify successful and underperforming alternative education schools and programs.

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<sup>5</sup> Public high school 4-year adjusted cohort graduation rate (ACGR), by selected student characteristics and state: 2010-11 through 2014-15, United States Department of Education.

## **ODE has not developed accurate lists of alternative schools and programs**

ODE does not maintain accurate lists of alternative schools and programs. It publicly reports this incomplete data in the statewide report card, an annual report on the overall status of Oregon's schools.

Each year, ODE collects information from districts about their alternative schools and programs, including enrollment totals and the types of alternative programs offered. This alternative education data collection allows the agency to give the public a snapshot of alternative education services and enrollment trends.

Some districts submit detailed data to ODE. Many do not. Of Oregon's 197 districts, about three-quarters did not report any alternative education data to ODE in 2015-16.

However, based on our survey, 60 districts that failed to report to ODE indicated they do indeed have alternative schools or programs.

Districts should be responding to ODE's request for data. Under state law, ODE has the authority to ask districts for whatever data it deems necessary for advancement of education.

### ***ODE's Institutions Database has more information, but is still incomplete***

ODE maintains a separate "Institutions Database" that captures more stand-alone alternative education schools than ODE's annual alternative education data collection. But the database does not identify at least four alternative schools that we confirmed, and it does not include current information about public alternative programs.

Several factors contribute to lack of tracking. For the alternative education data collection, ODE does not follow up with districts who do not provide requested data. Also, district officials respond to more than 100 data requests from the state each year, and may not be fully aware of the request. One district official we spoke with said they had never heard of it. Oregon's imprecise statutory definition of alternative education also gives little guidance on which schools actually are alternative – it could apply to any school or program in the state. An alternative school or program, the statute says, "means a school or separate class group designed to best serve students' educational needs and interests and assist students in achieving the academic standards of the school district and the state." Some other states such as Arizona, Colorado, and North Carolina have more precise definitions, and use them to identify alternative schools for performance reporting.

Oregon also does not distinguish in its performance reporting whether some charter schools are essentially acting as alternative schools, focusing on academically at-risk students.

## ODE's accountability reporting provides inadequate detail on alternative school and program performance

Oregon has four substantial gaps in its accountability reporting system for alternative education:

**Inadequate Disclosure of Alternative Schools:** ODE does not clearly identify schools as alternative on its website or in publicly disclosed performance reporting, including school report cards, reducing the ability for the public to analyze alternative school performance.

**No Overall Performance Analysis:** ODE has not analyzed or reported on the overall performance of alternative education schools and programs in its state report card or in other reports, as it has for charter schools and online schools. For example, the 2015-16 state report card showed charter school students performing better than state averages on reading tests, but lower in math. These are useful points for school improvement efforts.

Analyzing the overall performance of alternative education could help focus improvement efforts, too. It is difficult to do so, however, when the state does not have an accurate list of alternative schools and programs.

**Limited Information on Alternative Schools:** The state uses the same report cards and performance data for stand-alone alternative schools as it does for traditional schools, including information such as graduation, completion, and dropout rates.

ODE has set the five-year completion rate as a key result. That rate, which includes students graduating or completing a GED in five years, is a more meaningful metric for alternative schools that enroll students who are credit-deficient and unlikely to graduate in four years.

Completion rates and other outcome data are valuable – they represent an important bottom line for schools. But in alternative schools, these rates “primarily reflect the at-risk status of most students when they arrive,” as one California research group’s analysis concluded.<sup>6</sup>

Oregon could include more details, as other states have done, that indicate whether students who are behind when they arrive make progress at the schools. The added detail would allow effective comparisons between schools. Potential progress measures include attendance improvement, reduction in disciplinary incidents, credit attainment and course completion, and student growth on pre- and post-tests.

Currently, ODE’s information on student absences is not adequate for alternative schools. Public attendance data focuses on “chronic absenteeism.” In alternative schools, many if not most students hit ODE’s chronic absentee threshold of 10% of school days absent in a school year,

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<sup>6</sup> “Accountability for California’s Alternative Schools,” Public Policy Institute of California, May 2016.

and ODE does not report data that highlights meaningful attendance improvement.

Per-student school spending data is not available, though it will be included in future accountability reporting under the federal government's new Every Student Succeeds Act (ESSA). This should help show whether districts are committing enough resources to alternative schools.

The reporting system also does not detail support services provided to alternative students, such as mental health care, childcare, and counseling. Our school visits and best practice research indicate these services are one of the keys to student success.

**No Detail on Alternative Programs:** While some alternative schools receive their own school report card, ODE does not report separate public results for alternative programs, which enroll about two-thirds of Oregon's alternative education students. Instead, student performance in those programs is folded into district or high school results and not reported separately.

The state has no data at all on alternative programs that are part of traditional high schools. It has limited data, such as data on dropouts, for alternative programs that are not part of traditional high schools. ODE does not report this data separately from district totals.

In some districts, the largest numbers of dropouts came from alternative programs that the state does not report separately from district numbers. About 75% of Portland Public Schools' dropouts came from unreported alternative programs in 2015-16. In the Hillsboro, Bend-La Pine, and Parkrose districts, about 60% did. And roughly 40% did in districts covering Springfield and Douglas County.

In these cases, as with all alternative programs, the numbers are just part of a lump sum dropout rate in district accountability reporting – the total from all alternative programs is not even disclosed as a separate line item. ODE's data provides no public detail on the performance of the individual alternative programs within the district, even when they are educating a large number of a district's academically at-risk students.

"The fact is that we don't even know as a state how these kids are doing," one ODE manager told us.

**The Portland Public, Hillsboro, Bend-La Pine, and Parkrose districts have many dropouts from programs ODE does not report separately from district totals.**

ODE faces some challenges in quickly creating more effective accountability measures. The agency does not have meaningful data on attendance in alternative schools and programs, credit accumulation, and other progress measurements. Obtaining that information would require additional data collection, with at least a year notice to give districts time to prepare it.

### **The Stigma Problem**

During our school visits, teachers and students told us repeatedly that alternative education carries a harmful and undeserved stigma. Students reported hearing from family and friends that only “bad kids” end up in an alternative school. They feel that perception in the community, too.

**“To my knowledge, they look at us as a bunch of hoodlums, druggies, and thieves. It’s very unfortunate, because that’s not what we are.”**

-Alternative Program Student

Attitudes like this can prevent students from entering programs that may do them good. Many students found that their programs offered what they needed to get back on track, including strong relationships and schedule flexibility.

**“My friends were saying, ‘That’s all bad kids, good luck making friends.’ Honestly, I didn’t have the quality of friends at my old school that I do here. It’s not like we push someone away because they’re different. We know that everyone is going to be different.”**

-Alternative School Student

Teachers face a different kind of stigma among their peers. Currently, Oregon uses the same school report card to judge comprehensive and stand-alone alternative schools. Teachers see

that as unfair, because alternative schools are designed to serve students who have not succeeded in traditional settings.

**- It is frustrating to be held accountable for the failures of traditional programs.**

-Alternative School Teacher

Teachers in many of the schools we visited feel they are doing great work helping students turn around academically. That progress is not visible, one said, because of how the state reports their school’s performance. This reflects not only on the students and the school, but also on the teachers.

**The annual report card “is very disheartening to alternative education teachers. We are doing amazing things, yet we’re being told that we’re failing at every level.”**

-Alternative School Teacher

Another drawback of using the same metrics to evaluate both comprehensive schools and alternative schools is that alternative schools can become the focus of improvement efforts, even when that might not be needed.

**“State report cards mean alt. ed. schools are under constant pressure to re-invent themselves, even if they are doing relatively well, because they always look bad.”**

- District Administrator

### ***Other states and some Oregon districts have improved accountability measures for alternative education***

Other states, including Colorado, Arkansas, Indiana, and Arizona, have implemented more detailed performance reporting for alternative schools. These states take different approaches. Some have included more progress measurements for all schools, including measuring academic growth and indicators of student engagement, such as attendance. Others reduce performance targets for traditional measures at alternative schools, such as graduation rates, to make attaining the targets more realistic and allow fairer comparisons.

In some states that offer improved measures for alternative schools, the schools have to apply to use the alternative accountability system. Unlike Oregon, these states have precise definitions of alternative schools.

Among the more detailed approaches in other states:

Colorado allows schools to set some of their own publicly reported metrics that address the school's unique goals. Arkansas tracks grades. Indiana tracks 10<sup>th</sup> graders who are not proficient in math or English to see if they hit proficiency by grade 12.

Washington's Legislature created statutes that require tracking of students enrolled in dropout re-engagement programs. The programs track whether students have met one of several indicators, including whether students successfully enrolled in a college class for the first time, took a GED test, or earned high school credits.

In Oregon, Portland Public Schools is one district experimenting with a more tailored accountability framework for its alternative programs. The district's metrics include skill growth in reading and math. It is also measuring credit attainment, students attending school at least 85% of the time, and growth in attendance compared to the prior school year.

Researchers see other possibilities for improved measurement of alternative education. One possibility is having states assess whether students are still attending school three and six months after enrolling in an alternative school or program.<sup>7</sup>

States could also calculate the graduation rates of all students who are far behind on credits at the beginning of their junior year to help determine which types of schools, alternative or otherwise, help students make the most progress.

***Improving performance analysis and reporting would increase Oregon's focus on students in alternative schools and programs***

Knowing more about how alternative students are doing has some obvious benefits. Enhanced performance data would help ODE better highlight high- and low-performing schools and programs, and identify and communicate successful practices. It would also provide better data for school improvement and state policy development.

One concern we heard from alternative education administrators and teachers throughout our audit is that the current system does not hold traditional high schools accountable when their students transfer to alternative schools and drop out soon after. In 2015-16, 10 Oregon districts had 50% or more of their dropouts come from alternative schools, ODE data shows. In two relatively small districts – Gervais and Coquille – all the dropouts were from alternative schools.

**In 2015-16, at least half the dropouts in 10 Oregon districts came from alternative schools, not traditional high schools.**

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<sup>7</sup> "Improving Alternative Education in California," California Legislative Analyst's Office, 2007.

To address this concern, ODE could include information in district report cards or other public reporting on dropouts and non-graduates who came from alternative schools and programs. The agency could report the number of dropouts and non-graduates who transferred from each traditional high school in the district to alternative schools and programs. This could help ensure that traditional schools do not transfer students to avoid accountability.

The alternative school teachers we heard from made an additional point. They see their schools working for many students who were well on the road to dropping out. But the state does not report that “save rate.” It is discouraging, the teachers said, to be lumped in with traditional schools in Oregon’s system and stick out as extremely poor performers. More detailed information could highlight successes and help ensure that accountability is more equitable.

More broadly, better data could help move alternative school improvement higher on Oregon’s agenda, both at ODE and among policy makers. As researchers in California have pointed out, a lack of meaningful information can put alternative schools and their students “in the shadows of K-12 policy discussions.”

Oregon’s Chief Education Office is developing a “Statewide Longitudinal Data System” that could help identify schools and programs, including alternative schools and programs that are best preparing students for life after high school.

This data should help identify successful practices, but it is not a substitute for more information on student progress while students are enrolled in the schools and programs.

## A Teacher's Perspective on Alternative Education

While teaching English at Alliance High School in Portland, Jerry Eaton spent a lot of his free time in the school's shop. He took over full time when the former manufacturing teacher retired a few years ago. Eaton has technical skills and an ability to connect with at-risk students, an unusual combination, Alliance's principal told us. Now in his 17<sup>th</sup> year of teaching, Eaton shared some of what he learned working in alternative education.



Jerry Eaton helping a student build a toolbox.

### Q: How did you end up teaching in an alternative school?

- Through high school I thought I hated teachers. But I really do love learning. I just don't like schooling (as it's too commonly done). My younger brother struggled with school, and an alternative education program at Parkrose (High School) pulled him through. But there wasn't enough rigor there. He could have accomplished more. The older sibling in me is willing to push and challenge. I can take an emotional hit from a kid, not get triggered, and then still push back.

### Q: Why is building relationships important?

- Building that relationship helps you create a foundation in the classroom that is not based on authority, it's based on trust and mutual respect. You can't push somebody to go farther who doesn't trust you. A big part of that is being authentic. One of the things I can do with a kid is be really straight up. I can see something they're doing and say, that is a bad decision. Honesty matters. Integrity matters. And a respect for them as people. A respect for their ability to actually get there. These kids want a life with meaning, not just getting by. If someone is whispering in your ear every day "You're not worth it." you start to believe it.

### Q: How do you ensure enough rigor?

- In manufacturing, we just build from scratch, and find out how utterly amazing it is to go from a concept to a thing, to feel the satisfaction of a job well done. As a teacher, it's about getting your

passion out there, and letting them know that it doesn't happen without hard work. You can't get to that point without a lot of rigor.

### Q: What do you like the most about being an alternative education teacher?

- In a comprehensive high school, a lot of the students are autodidactic – they don't really need the teacher. All my students really need the teacher. So the biggest perk is having a job that really matters. As frustrating as it is sometimes, I never feel like I'm doing something meaningless. That's a priceless thing.

### Q: What do you think the public doesn't realize about your students?

- How brilliant they are. Almost universal to a one they are outside-the-box thinkers. They see things from a different angle. Robotics is a great example. They'll come up with ideas where I just say, "Wow." I think a lot of folks think that the social safety net, the "entitlements," are going to lazy people. But they buy time to create kids who can become great citizens.

### Q: What's the biggest challenge of your job?

- Just the difficulties these kids face, and not taking that home with you – that's a tough one. You compartmentalize as much as you can, but sometimes that line is not perfectly clear. This could be 24-hour, 7-days-a-week job, trying to save all the kids, and you can't. That's not necessarily even good for them. They have to figure out some of this for themselves.



Machinery in Eaton's crowded shop included a Computer Numerical Control machine, sheet metal cutters, and other tools. Projects range from skateboard manufacturing to robot building, helping students acquire skills in electronics, machining, metalwork, and welding. The school fields a small robotics team.

## **State monitoring and support of alternative school and program quality is minimal; district oversight is inconsistent**

Results in other states indicate more state involvement in alternative education could help improve Oregon's system.

Some states have held districts, schools, and programs to higher standards and provided more support to help students succeed. Their practices include requiring, reviewing, and publicly disclosing school improvement plans, setting alternative education standards and goals, providing extra funding, visiting schools, and monitoring program quality.

Our school visits and discussions with district officials also indicated that districts can be more consistent in oversight and support. This includes more closely monitoring their alternative schools and programs, analyzing their performance, and helping them improve.

### **ODE can do more to drive improvement in alternative education**

A 2016 "Grad Nation" report from Johns Hopkins University focused in part on alternative education. It said it is "critical that states take a much closer look" at alternative programs to determine whether they "truly offer students a valuable pathway towards graduation."

ODE has taken some initial steps toward improving alternative education. It coordinated an annual alternative education summit this past February. The agency also offers a form on its website that districts can use when evaluating alternative schools and programs, though ODE has not updated it since 2006.

Overall, however, ODE is not a strong driver of alternative education improvement. Unlike some other states, ODE does not publicize annual school improvement plans and only reviews the plans of a limited set of alternative schools for quality. It does not set standards for key conditions in alternative schools, such as student-teacher ratios, counseling assistance, or referrals to alternative schools and programs. Outside of its new annual alternative education summit, it has no platform to identify or share successful practices statewide. It does not facilitate training for alternative school teachers. It does not systematically review district annual reports on alternative schools and programs.

ODE is also not regularly reviewing alternative curriculum for academic rigor. In our visits, schools using a project-based curriculum that awards multiple credits for one project appeared to have wide leeway in deciding to award the credits, and it was not clear they met state academic standards. One school also had substantial problems with accurately accounting for student attendance, a potential challenge when alternative programs do not follow the traditional classroom model.

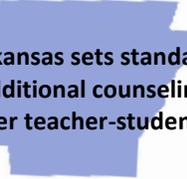
As we detail later, online curriculum, including widely used “credit recovery” programs used in alternative, traditional, and online schools, can also raise rigor concerns.

Some other states, all with higher graduation rates than Oregon, are doing more to monitor alternative education. Their results indicate the system can improve when state monitoring and support expands.



**Colorado officials review improvement plans for low-performing schools.**

**Colorado** requires annual school improvement plans, which the state posts publicly. State officials review the plans for relatively low-performing alternative schools. The state has seen significant performance improvements since establishing its accountability system in 2011, though state officials say they have not done the in-depth research required to tie the gains to the accountability changes.



**Arkansas sets standards for additional counseling and lower teacher-student ratios.**

**Arkansas** sets standards, provides extra funding, and monitors alternative school and program performance. The state sets standards for additional counseling, lower teacher-student ratios, and integration of social skills into the curriculum. State officials also review school performance, and require written improvement plans with firm timelines when schools fall short. Arkansas data indicates outcomes improved for alternative education students from 2012 through 2016.



**Indiana provides additional state funding tied to school goals for students.**

**Indiana** uses state-approved grants to provide additional state funding – up to 12% more – for alternative education. Schools and programs must renew grants annually, and each program has academic and behavioral goals for their students. State officials monitor program quality, and visit schools and programs before their initial grant.

In Oregon, some alternative schools do receive monitoring and support using federal funds. These schools can benefit from coaching and school improvement processes that require collecting more meaningful internal data and measuring the results of new initiatives. But this is required for a limited set of schools: eight alternative schools as of mid-2017. The improvement reports are also not publicly available.

Schools can also receive accreditation from AdvancED, an independent group, every five years. However, more than a third of alternative schools in Oregon, 13 of 33, do not appear to be accredited. Also, the accreditation reports are not available publicly, and AdvancED does not send reports to ODE or communicate non-compliant results to the agency.

## **ODE's unclear role and low staffing levels reduce its ability to monitor and support alternative education**

Oregon's statutes are not clear on the amount of oversight expected of ODE for alternative education, and ODE officials told us they are wary of treading on local control without a clear mandate from the Legislature. In some of the other states we reviewed, legislatures passed specific laws that created alternative school oversight and performance reporting. Oregon's Legislature has not done so.

ODE's minimal staffing of alternative education – one person working half time – is not adequate for expanded monitoring. Oregon has 197 school districts, with at least 33 alternative schools and more than 100 alternative programs. Colorado has three staff dedicated to alternative education accountability alone.

At the school level, some principals told us they are wary of school improvement plans that become bureaucratic paper exercises, not practical documents that truly help drive school improvement and student growth. ODE, districts, and alternative education leaders would need to work together to build an improvement process that is effective and credible.

The potential advantage for alternative schools and programs, as seen in other states, is that their public accountability and improvement would be based more firmly on student progress at their schools, not on the status of students when they arrive.

ODE could also draw more on other groups that want to help support alternative education improvement. Those groups include AdvancED, the accrediting body, and the Youth Development Council, an organization funded within ODE's budget that reports to the Governor and focuses, in large part, on students disconnected from school.

## **District oversight and support of alternative schools and programs is inconsistent**

Oregon's school districts have many sources to draw on for best practices in alternative education. But our review indicated some districts are not monitoring alternative schools and programs closely.

### ***Districts have ample guidance on best practices***

Oregon laws do provide some expectations for school districts regarding alternative education accountability. Statutes require that districts receive school board approval for new alternative schools and programs. Districts are also required to evaluate them annually, providing a written evaluation to the school or program.

### **Promising Practices**

Around the state, alternative programs are trying creative ways to build relationships and offer students what they need to get on track academically. These are the kind of practices the state could help evaluate for effectiveness and disseminate. Some examples from our school visits:

#### **Relationship building:**

- Discovery programs: Some districts offer six-week introductory classes, including initial student assessment and relationship-building.
- “Invisible” Mentors: Staff work together to ensure that each student has at least one teacher who will check in with them daily and give them positive feedback.
- Field trips: Once every session, the school invites students to a fun outing regardless of past attendance or performance. This is a chance to reconnect with kids who may have fallen behind and feel disconnected as a result.

#### **Tracking Student Progress and Attendance:**

- “Blue card” attendance: In one school, students carry a blue card and get a signature every class if they are on time and do their work. Every card is one point, and each semester they have to earn 90% of these points to get a grade.
- Weekly reviews: Many programs are quickly flagging drops in student attendance and progress to address concerns right away.

#### **On-Site Resources and Flexible Structures:**

- Shorter terms: Some programs have several terms a year as short as five or six weeks. This allows a student who fails a class in one term to have a chance to get back on track right away.
- Project-Based Learning: Students earn credits in several subjects simultaneously by working on projects that interest them. Teachers and students work together to design projects that incorporate state learning standards.
- GED onsite: One school received certification to offer the GED exam onsite. This removed transportation and scheduling problems that discouraged students from taking the exam.

For guidance on what to evaluate, districts can draw on state and national advice – as well as feedback from alternative school teachers and students.

ODE has identified some best practices, including keeping schools small, cultivating caring student-teacher relationships, and building school connections to the community.

The National Alternative Education Association and the National Dropout Prevention Center include similar recommendations. They also recommend thorough student screening, close monitoring of students’ academic progress, and student access to support services, including counselors and social services. The National Alternative Education Association also recommends regular surveys of parents, students, and staff.

Those recommendations are consistent with what we heard in our school visits. School teachers and administrators frequently stressed the importance of small class sizes, for example, and of student access to counselors, social workers, and mental health care.

Students told us that close relationships with teachers – enabled by small class sizes – were a key to the success of alternative programs, distinguishing them from comprehensive high schools. For example, a student at Success Alternative High School in Woodburn, with as few as 10 students per class, told us teachers at the traditional high school did not have as much time for individual students, and it was embarrassing to ask questions.

“Here I can always go up to my teacher without feeling embarrassed,” she said. “They notice your effort. Even the little things you do, they’ll tell you. They can focus on you and make time for you.”

#### ***District oversight and support varies widely***

Ensuring that schools are following best practices requires close attention from districts. But a survey we sent to 40 districts found that some do not appear to be tracking their alternative schools and programs closely:

- Ten of 34 survey respondents said their district did not annually evaluate all types of alternative programs, or they were not sure if it did.
- More than a quarter of respondents were not sure if their alternative programs were accredited.
- Despite the importance of student-teacher relationships, only half of 34 respondents reported surveying students as part of program evaluations. Surveys can help alternative schools and programs determine if they need to improve student-teacher relationships.

In our school visits, subsequent interviews, and document reviews, we found district annual reviews varied substantially in quality and depth.

Some districts did not provide written evaluations as required by statute. Others only provided feedback on school-prepared documents. One counted the annual report card prepared by ODE as the annual evaluation for its stand-alone alternative school.

Oregon statutes do not define what should be in an annual evaluation of alternative education programs. ODE does not collect or review evaluations, and has not set quality guidelines for district evaluations of their schools and programs.

During our visits, we also saw wide variances in how closely alternative schools followed recommended practices. All had small class sizes. But the depth of their initial assessment and tracking of student progress varied widely, as did their use of performance data for student improvement. Most did not regularly survey students to gauge their connection with adults at the schools.

We also saw big differences in the support services provided to students, such as counseling, day care, mental health care, and family support.

Beaverton's Community School, for example, had a county-funded mental health therapist stationed in the same building, three counselors, and a social worker whose duties include home visits and teaching skill-building classes for students and their families. The building also housed a day-care center for the children of students and staff.

Among alternative schools, Community School was one of the strongest performers on traditional outcome measures, despite 80% of its students being eligible for free-and-reduced-price lunches.

By contrast, two of the other ten schools and programs we visited had no counselors. Two had just a half-time counselor. Two had an on-site social worker, and only one had a mental health therapist available.

Districts face budget challenges, and may benefit from outside help to improve and support their alternative education programs. In these cases, assistance from the state, county health departments, and regional groups, such as education service districts or coordinated care organizations, could be even more important.

### Finding the right alternative



Jasper Moriarty recently graduated from Wahtonka Community School in The Dalles.

Middle school was a bad experience for Jasper Moriarty. He was bullied and was acting out at school. In ninth grade, he started briefly at the local comprehensive high school, but dropped out quickly.

**“I’m just not one of those people who would have been successful at a high school,” Jasper told us. “Now that I’m at an alternative school, I feel like things are really going at my pace.”**

The opportunities at the local alternative school, Wahtonka Community School, included access to classes through a community college. Attending a few of these classes gave him confidence that

he could be successful with college-level coursework.

Jasper, who is transgender, also found the support he needed to transition at Wahtonka.

**“I don’t know if it’s the people who are here, or just the energy around the school, but I have never seen a case of someone picking on someone else because of who they are. It’s a lot easier to be yourself when you’re not being ridiculed for being yourself.”**

Jasper credits some of his success to the close relationships he was able to develop in a small community with teachers and peers. He said the school also offered a good balance between freedom to design hands-on courses with teacher input, and guidelines that kept students accountable.

**“The teachers here really want to be here. At the other high school it was very easy to feel like you were blending in with the crowd. You were a face and a number. A GPA really.”**

Research into guidelines for successful alternative schools reinforces that small class sizes, positive teacher-student relationships, and meaningful hands-on coursework can all contribute to student success.

It worked for Jasper, who turned 18 shortly before graduation. He enrolled at a community college, and is majoring in Biology. After that, Jasper has his sights set on medical school and a career as a Forensic Pathologist.

## Online schools: Stronger oversight, support, and attendance requirements could better serve academically at-risk students

Online schools offer potential advantages in serving academically at-risk high school students, including readily accessible student data and virtual connections with individual students through email, texts, and other mediums. They also have challenges, such as higher student-teacher ratios than alternative schools and far less face-to-face contact with students – potential obstacles for at-risk students already disengaged from school.

Approaches in other states and recommendations from national education groups indicate more state involvement, along with consistent district oversight, could help online schools improve results with academically at-risk students.

### Online schools offer potential benefits – and face unique challenges – in serving academically at-risk students

Online schools have some advantages for educating students who struggle in traditional schools, including ready access to student performance data. Challenges include relatively high student-teacher ratios and rapid growth.

#### ***Online schools enroll many students who are already behind, and have taken some steps to help them***

Oregon’s online schools come in many different forms, but all offer online instruction as their primary means of instruction. They range from statewide virtual charter schools, which draw students from throughout the state, to district-run schools and charters that serve students in a single district or region.

They also take different approaches to educating their students. Some are “hybrids,” with physical drop-in centers for students to visit and talk with teachers. Others have little opportunity for face-to-face interaction. Teachers conduct live online classes at some schools, while others have no live instruction at all.

One constant is the schools’ assertion that they enroll many struggling students who have fallen behind in credits at traditional high schools, including students late in their high school tenure. For those students, as with students in alternative schools, online education may be a “last chance” solution.

Of the seven online schools we visited or spoke with, six raised enrollment of credit deficient students as a major issue. For example, the executive director of the Oregon Connections Academy, the state’s largest online school, told us 150 of the 207 non-graduates in its 2015-16 class arrived credit deficient. In that class, nearly 20% of the students arrived missing a

full semester's worth of credits or more, she said. Only 30% of the students who arrived credit deficient graduated on time, the school's numbers indicated, while 83% of students who were not behind on credits graduated in four years.

Officials at the Metro East Web Academy in Gresham said roughly half of their students are credit deficient when they arrive, and about 20% are more than a year behind in credits.

As stated previously, ODE does not collect credit attainment data from schools, and we did not independently analyze student-level data at individual schools. However, our analysis of ODE data on students' prior schools did confirm that students transferring to large statewide online schools are typically coming from traditional high schools, not alternative programs.

As noted in the introduction to this report, ODE data indicates that online schools, like alternative schools, have students enrolling late in their high school tenure when they may be relatively close to dropping out.

Online schools reported taking steps to help struggling students. They generally have student data – including log-in times and assignment progress – that can quickly identify students falling behind. At one school, teachers receive automatic alerts when that happens.

Teachers told us the lack of face-to-face interaction can limit building relationships with students. But they said they also have more opportunities than traditional teachers to connect with struggling students through emails, texts, and small group and individual online sessions, mediums many of their students favor.

“There is nothing inauthentic about a virtual connection to them,” a teacher and academic coach at a statewide online school told us. “In many ways I feel I have it easier, because I don’t have them sitting in a classroom boxed in a desk, where they think all they need to do is listen to me. I have them in their world, texting and emailing.”

The schools typically require a parent or other adult close to the student to be a “learning coach.”<sup>8</sup> This gives the school a direct line of communication to students' families.

Online schools also reported taking more targeted steps to provide support for struggling students. Those steps include home visits, adding academic coaches, or family specialists who focus on students falling behind, setting up small group tutoring sessions online, and improving assessment of incoming students when they arrive.

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<sup>8</sup> A learning coach is responsible for the student's day-to-day activities. They help monitor attendance, ensure that the student attends state examinations as required, and stays in touch with the student's teachers.

### ***Online schools have unique challenges in serving struggling students***

Online programs in Oregon and nationwide generally have student-teacher ratios more comparable to traditional high schools than to alternative schools. That model is different from the alternative education approach, which shifts struggling students into schools with very small class sizes. The small classes are designed to help students connect with adults and receive more individual attention, best practices for alternative education schools.

The large student loads at online schools can make it harder to identify and help students who are behind, some online teachers told us, particularly if parents or other adult learning coaches at home are not much help. “For kids who struggle and have learning coaches who struggle, they’re just lost,” an online teacher with long experience in traditional schools told us. “They have so many more supports available for them at a brick-and-mortar school.”

A 2015 Mathematica Policy Research study found large high school class sizes at virtual charter schools and many virtual school principals concerned about disengagement among their students. Students in a typical online charter have less “synchronous” instruction time – students and teachers participating in instruction at the same time – in a week than students in brick and mortar schools have in a day, the national study found.<sup>9</sup>

One district-run online school we visited had a student drop-in center, staffed with teachers eager to help students. But even with that hybrid model, the school’s administrator told us, unmotivated students struggling in traditional schools find “it’s even harder to be motivated here.”

Online schools are likely to continue growing rapidly, given the rising popularity of online education in general and the simplicity of enrolling in statewide online schools, which have no district boundaries. Fully online schools also face few physical obstacles to expansion, unlike brick-and-mortar schools, allowing for speedier growth.

## **Comparative performance appears to lag in online schools**

Oregon’s online schools tend to have higher dropout rates and lower graduation rates than traditional schools. In the 2015-16 school year, 14 of 15 online schools with 20 or more students in their class cohorts were among the 50 Oregon schools with the lowest 5-year graduation rates. On

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<sup>9</sup> “Inside Online Charter Schools,” Mathematica Policy Research, October 2015.

state tests, online charter school students tend to be close to the state average in reading, but behind in math.

However, those results do not take into account the types of students enrolling at online schools, or whether they are behind in credits when they enroll. As with alternative schools, it is difficult to make fair performance comparisons without data on individual student progress.

Recent studies in Oregon and elsewhere, however, have made more apples-to-apples comparisons between online students and traditional students. These studies suggest individual student performance in online schools is lower relative to comparable students in brick-and-mortar schools.

- A 2016 ODE analysis found that among students with the same 8<sup>th</sup>-grade test scores, students in online schools were up to 30 percentage points less likely to be on track at the end of their 9<sup>th</sup>-grade year than students who attended non-virtual schools.<sup>10</sup>
- A 2015 national study by researchers at Stanford University that included Oregon found online charter students had “much weaker growth overall” compared to comparable students in traditional schools. Typical academic gains for math equated to 180 fewer days of learning; for reading, it was 72 fewer days. Results were comparable for Oregon’s online charters, the researchers found.<sup>11</sup>
- A 2017 study of 1.7 million Ohio students by New York University and Rand Corporation researchers found that “across all subjects and grade spans... students in e-schools score significantly lower than students in traditional charter and public schools.”<sup>12</sup>

### Online school performance issues have led to more scrutiny and, in some other states, more oversight

#### Reform Recommendations:

States should:

- Require schools to meet performance standards before they can grow.
- Base school funding on performance, such as course completion, not on attendance.
- Not allow small districts to sponsor online charter schools spanning multiple districts.
- Ensure that poor-performing schools are shut down.

Most of the scrutiny of online schools has focused on online charter schools, a rapidly growing category. Nationally, online charters are authorized by school districts, state authorizing bodies, universities, or other groups. In Oregon, districts authorize all the online charter schools.

Academic researchers and three groups – The National Alliance for Public Charter Schools, the 50-State Campaign for Achievement Now, and the National Association of Charter School Authorizers – have made reform recommendations for online charters that could apply to non-charter online schools as well. (See summary at left.)

In a 2016 report, the three groups cited “disturbingly low performance” and said state leaders need “to make the tough policy changes necessary”

<sup>10</sup> Data Brief, Office of Assessment and Accountability, ODE, 2016.

<sup>11</sup> “Online Charter School Study,” Center for Research on Education Outcomes, Stanford University, 2015.

<sup>12</sup> “Student Enrollment Patterns and Achievement in Ohio’s Online Charter Schools,” Ahn and McEachin, Educational Researcher, Vol. 46, No.1, pp. 44-57, 2017.

to ensure online education is more effective for students.<sup>13</sup> In 2015, University of Washington researchers studied state regulation of online charters nationwide, including in Oregon, and concluded that collecting additional data from online charters – for student attendance, progress, and performance – may make sense given the high rate of disengagement among their students.<sup>14</sup>

Some of Oregon’s online school leaders favor disclosure of more detailed student progress data for the same reason some alternative education leaders do: The existing accountability system does not reflect their progress with students who arrive already behind.

### ***Some other states have increased oversight of online schools***

We reviewed approaches to online schools in other states, and identified six with performance oversight methods Oregon could consider. These states provide considerably more oversight of online schools, particularly multidistrict schools. Approaches taken elsewhere include approving online curriculum, requiring state approval for new schools, and evaluating online school performance in depth.



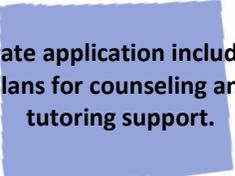
**Alternative Education specialists are typically included in review of online schools.**

In **Minnesota**, multidistrict online schools and full-time online schools within districts have to apply for approval, submit annual updates, and prepare a three-year review document that the state evaluates. New schools get a visit from Department of Education personnel, typically including the state’s alternative education specialist, because of high numbers of at-risk students at the online schools. The process leads to productive conversations about school improvement, the state’s online and digital learning specialist said.



**Online schools are evaluated on 54 criteria, including student engagement.**

**Washington** subjects multidistrict schools and providers, charter and non-charter, to full review, and approves online curriculum. A team of reviewers evaluates whether they meet 54 criteria, such as collaborative instructional activities, timely and frequent feedback, student engagement, and protocol for monitoring student progress. Beginning this school year, online schools will have to meet performance targets – course success rates greater than 70%, for example – or submit a corrective action plan.



**State application includes plans for counseling and tutoring support.**

**Colorado’s** State Board of Education certifies new multidistrict online schools, both charter and non-charter, via a joint application by the school and its authorizing district. The application focuses on items such as plans for counseling, tutoring support, and student assessment. The authorizing district maintains oversight after approval, but the state board can intervene if the school does not improve after five years on a state improvement list. The board shut down one online school’s middle school grades after long-term poor performance.

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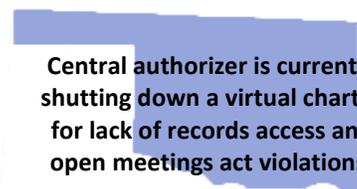
<sup>13</sup> “A Call to Action to Improve the Quality of Full-time Virtual Charter Public Schools,” June 2016.

<sup>14</sup> “The Policy Framework for Online Charter Schools,” The Center on Reinventing Public Education, October 2015.



Central authorizer has numerous measurable performance requirements.

In **Maine**, a central commission authorizes all the state’s charter schools, including two statewide virtual schools. A detailed application requires the school to specify measurable objectives, a plan for students performing poorly, and details on oversight of third-party contractors. The commission’s charter with the schools includes numerous measurable performance requirements, restrictions on enrollment, a monitoring plan with annual performance monitoring reports, and commission monitoring of attendance. The commission rejected one online school’s application twice before it was accepted, with the commission insisting that teachers be available at the school’s location for students who need to meet with them.



Central authorizer is currently shutting down a virtual charter for lack of records access and open meetings act violations.

**Oklahoma’s** statewide virtual charter school review board approves and sponsors statewide virtual charters, requiring them to file a detailed application. About four years after approval, accountability officials at the state’s department of education prepare detailed reports on school performance. The board is relatively new, but is in the process of shutting down one virtual charter for lack of access to financial records and open meeting act violations. The statewide oversight began because of concerns about low district oversight.



State approves both online programs and courses.

**Florida** funds online programs based on credit attainment, not attendance, as a taxpayer accountability measure. All providers must publish student-teacher ratios on their web sites, and include the ratio in contracts with districts. Florida’s auditor general conducts operational audits of districts and program providers. The state approves both online programs and online courses.

## ODE oversight and monitoring of online schools is limited and district oversight is inconsistent

Some shortfalls in ODE oversight and monitoring of online schools apply specifically to online charters.

Oregon has statutory requirements specific to online or virtual charters.<sup>15</sup> They include a requirement that the school’s contract or “charter” with its sponsor includes monitoring and tracking of student performance. They also must have a plan to conduct meetings, in person or through technology, twice a week between teachers and students.

Like all charters, online charters also have to submit applications to their sponsors, usually school districts. They submit annual performance

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<sup>15</sup> Under Oregon law, charters are non-profit public schools, generally sponsored by a school district but governed by a separate charter board. ORS 338.120 specifically addresses virtual public charter schools.

reports, and receive an annual financial audit. From their sponsors, they receive a share of per-student payments from the State School Fund.

However, ODE does not monitor district compliance with these requirements. The state receives copies of documents related to charters, such as charter agreements and annual reports, but does not review them for quality. State statutes also do not spell out performance requirements to include in the charter contracts or detail the depth of annual reports.

ODE officials say the agency is last in line for online charter school oversight under state law, after charter boards, districts, and district boards.

Some shortfalls in ODE monitoring and oversight apply to all online schools, charters and district-run.

As with alternative schools, ODE has problems accurately tracking online schools. Districts report whether schools are online, but we found some schools reported as online that are not, and some online schools not reported as online. The classification problems arise when schools offer some instruction online, but not all. More precise ODE definitions could help.

Beyond tracking, Oregon does not require state approval for new schools, regularly evaluate online school performance in depth, or increase oversight of poor-performing online schools. ODE does not require districts to follow best practices for oversight of online schools. The state also does not require online schools to meet performance standards to grow.

Finally, the state does not review online curriculum for compliance with state standards, leaving that to districts. That lack of curriculum review is a particular risk for online programs focused on accelerated credit recovery for credit deficient students.<sup>16</sup> State and accreditation officials told us these programs, which some traditional and alternative schools also use for credit deficient students, can be rote and lack rigor. Online credit recovery curriculum is also used by traditional and alternative schools that offer it as an option within the school.

### ***District oversight is inconsistent***

The state's limited monitoring and support for districts matters because districts differ significantly in the quality of their online school oversight, our interviews and document reviews indicated.

School annual reports and improvement plans vary widely. Some districts require in-depth annual outside evaluations of the online schools they sponsor. Others rely on the schools' self-reporting, which can be brief. One school we reviewed prepared a two-page document for its annual report,

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<sup>16</sup> Programs designed to allow credit deficient students to accumulate credits quickly by, for example, passing knowledge tests that demonstrate their understanding of key course concepts.

with little focus on performance. Others prepared strong academic improvement plans, acknowledging the need to improve.

Performance requirements in charter contracts can also vary substantially. In our discussions with district officials, their awareness of school performance and progress varied substantially as well.

One of the districts we spoke with limits school growth. The rest allow unlimited growth. Some have little oversight or engagement with the schools, even when their dropout rates and other performance indicators are low and the school continues to grow.

At the district level, few districts have a staff person dedicated solely to charter or online school oversight.

Like traditional schools, online school performance varies, with some schools performing relatively well on traditional measures. But the inconsistent oversight of the schools, combined with the potential for rapid growth, increases the risk that they will serve struggling students poorly.

### **ODE's online school attendance and funding standard raises risks**

Under ODE policy, the state counts full-time online education students as present for the full week if they check in with a teacher twice during that week. By contrast, students in traditional schools must attend more than half the morning and more than half the afternoon every weekday in order to be counted as present for the entire week. The attendance standard serves as the basis for State School Fund payments to schools.

The attendance standard raises the risk that an online school could receive taxpayer dollars even if students spend little time engaged with the school and make no progress academically. It poses particular problems for at-risk students who may already be disengaged from school. And it allows online schools to report relatively high attendance performance, limiting the attendance metric as an indicator of student engagement.

ODE policy defines a check-in as a two-way communication between a student and teacher, and says it is intended to assure an interaction that allows teachers to evaluate whether students are making adequate progress. But the seven online schools we spoke with are interpreting the check-in requirement in various ways, some of which may not meet ODE's intent. Schools commonly track emails, texts, and phone calls between students and teachers to meet the requirement. Some also use online class log-ins. One school counted a one-way email or text with anyone on the staff as attendance. One said attending a school outing qualified. Another simply had students answer a question posed by a teacher in the school's online interface.

The online attendance standard can give students flexibility. A standard that requires attendance in live online classes, for example, would penalize a student who works all day and has to watch a recorded version of the class later. But some school and district officials also acknowledged that a twice-a-week check in sets a low bar for attendance.

Florida tracks credit attainment in online schools and programs as a basis for state funding. Other states, including Utah and New Hampshire, track course completion. Oregon's online schools currently track credits earned and course completion. With legislative approval, that data could be used for state funding purposes.

A state funding standard based on credits earned or course completion would also provide better data to highlight high-performing and low-performing online schools.

For public attendance reporting, the online schools currently track data that could provide a more accurate picture of attendance than twice-a-week check ins, such as student log-ins and assignment completion.

### **Statewide virtual charters that contract with for-profit firms pose additional risks**

Oregon has three statewide non-profit virtual schools that contract with the two largest for-profit "education management organizations" for curriculum, technical support, and other services. They are Oregon Virtual Academy (ORVA) and Insight School of Oregon – Painted Hills, which contract with K-12 Management Inc.; and Oregon Connections Academy (ORCA), which contracts with Connections Academy. The two largest schools, ORCA and ORVA, serve more than half of Oregon students enrolled in online public schools.

The national ties allow the schools to draw on teacher training databases and extensive experience in online education. However the schools, which enroll students from across the state, have relatively few opportunities for face-to-face contact, a potential problem for struggling students who may need strong relationships with teachers to succeed.

Unlike brick-and-mortar schools or hybrid online schools with a fixed location for students to meet with teachers, the growth of these purely virtual schools is also not restricted by limited physical space. This allows them to grow rapidly, helped by advertising and other support from the private-sector contractors. If the schools are not performing well, this rapid growth increases the potential for more at-risk students to struggle academically.

All three schools are also sponsored by relatively small school districts, with non-online enrollment ranging from about 50 students to 2,350 students. The districts receive oversight fees, up to \$1 million a year, that district officials told us also benefit district students not attending the

online schools. The district fees also rise as the schools' enrollments rise, providing an incentive for districts to allow the schools to grow. Researchers and national charter groups have warned that this benefit may dissuade districts from holding the schools accountable for low performance.

From interviews and document reviews, we found the level of district monitoring varied significantly, and was low for two of the schools.

The district with relatively strong oversight has annual outside reviews of the online school. It used fee revenue from the school to increase district staff, in part to help with oversight of the school. In interviews, the superintendent told us he was aware of the performance issues at the school and knew what the school was doing to address the needs of at-risk students. Finally, the district included detailed performance goals in its charter with the school, such as having 85% or more of students earn at least six credits a year. The charter agreement requires the school to prepare a school improvement plan if all the performance goals are not reached, which the school has done.

That level of oversight was not present at districts overseeing the two other schools.

Officials at one of the districts told us they were "pretty much hands off" regarding the school. They also said evaluating the school's performance is "completely" in the school's realm, though the school is growing rapidly, and prepared an academic improvement plan that said "the need for dramatic improvement has become highly evident." The officials were not sure if the school had submitted an annual report. The district's charter with the school, recently extended for five years, contains one performance provision.

The final school relocated from one district to another in 2015 after the first district ended their sponsorship amid concerns about the school's low performance. The school's proposal to the new district included performance goals, but the charter contract with new district removed the specific performance requirements included in the first district's charter. It also removed a requirement that the school submit a written plan of correction if it did not meet the performance goals. The school prepared a school improvement plan with measurable goals, but the superintendent of the new district told us the district does not really evaluate performance. The superintendent did not know if the school had submitted an annual report.

As noted above, some states have moved to central sponsorship of statewide charter schools. At a minimum, ODE should ensure that the districts sponsoring these schools are thoroughly overseeing the schools and holding them accountable for their performance.

***Statutorily required disclosure of contractor profits can be improved***

Oregon statutes require that schools release profit statements for their contractors upon request from the public, a transparency measure designed to help ensure that schools are not prioritizing profits over student-related expenditures.

However, the information the schools provided at our request either did not give enough detail for the public to judge whether reported costs and profits were reasonable or did not disclose all profits.

- For two of the schools, the documents included three lines of high-level expenditures -- contractor salaries, direct operating expenditures, and indirect operating expenditures -- that did not provide enough detail for the public to gauge the reasonableness of reported contractor costs.
- The other school detailed expenditures more thoroughly and disclosed profits on some transactions. However, the documents did not disclose profits made on the sale of “educational products” to the school, the largest contractor-related budget category.

Oversight from districts on contractor profits and standards from ODE on the content of profit statements would help ensure accountability and transparency for the public dollars the schools receive.

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## **Recommendations: ODE Should Take Steps to Improve Results for Academically At-Risk Oregon Students by Increasing Accountability, Oversight, and Support.**

To ensure better identification of alternative schools and programs, ODE should:

1. Develop a clear definition of alternative education schools and programs, make accurate lists of these schools and programs, and identify them in public performance reporting.
2. Add an alternative designation for performance reporting purposes for charter schools that focus on at-risk students.

To improve accountability for alternative schools and programs, ODE should:

3. Develop publicly reported measures for alternative schools and for alternative programs that allow for more meaningful performance evaluation. Focusing on a limited set of additional measures – such as student growth, credit accumulation rates, and attendance improvement – could help address district workload concerns.
4. Use those more meaningful metrics to identify schools and programs that need improvement.
5. Evaluate methods to increase accountability for traditional high schools that transfer students to alternative schools and programs.

To better monitor districts and support alternative schools and programs, ODE should:

6. Evaluate the adequacy of its staffing for alternative education and how other departments and staff, such as school improvement staff and data analysts, can best support that function.
7. Establish standards and guidance for key practices, including district annual evaluations, referrals to alternative education schools and programs, credit standards, monitoring of student progress, and student-teacher ratios.
8. Confirm that districts with alternative schools and programs are following those standards by reviewing efforts at districts and schools. Reviews could focus on low-performing schools.
9. Work with districts and schools to identify successful alternative education approaches that other districts and schools can emulate.

To reduce the risks and help increase the performance of online education, ODE should:

10. Work with online schools and other stakeholders to strengthen attendance and funding standards for virtual schools.

11. Improve public reporting of online school performance and student engagement. Options include reporting teacher-student loads, student turnover, and credit accumulation rates, and including virtual schools in new alternative school accountability systems when appropriate.
12. Verify the quality and suitability of online credit recovery options used by Oregon schools.
13. Develop standards for district reviews of online programs and charter agreements with online schools, and ensure districts are following them.

To improve prospects for alternative and online students, ODE should work with the Legislature to:

14. Require upgrades to accountability and oversight for alternative education, as some other states have done. Possibilities include:
  - a) Developing a more precise statutory definition of alternative education.
  - b) Upgrading public performance reporting for alternative schools and programs.
  - c) Requiring publicly available annual improvement plans.
  - d) Requiring ODE review of plans for low-performing schools and programs.
  - e) Establishing performance requirements that statewide and regional online schools must meet before they can grow.
15. Increase standards for sponsors of statewide and regional virtual charter schools. Options that ODE and the Legislature could explore include spelling out individual district responsibilities in detail, increased ODE oversight of districts, and shifting sponsorship of the schools to a central body.

## Appendix A: School Data

This list may be incomplete. As noted earlier, ODE does not accurately track alternative and online schools.

### Stand-Alone Alternative Schools

Program Name	District Name	2016 spring enrollment*	Dropout rate	4-year grad rate	5-year grad rate	5-year completion	Underserved Race/Ethnicity***	ODE Alt Ed Data Collection?
Al Kennedy Alternative High School	South Lane	79	19.1 %	16.7 %	26.9 %	49.3 %	11%	Yes
Albany Options School	Greater Albany	139	3.6 %	43.0 %	30.5 %	67.9 %	24%	No
Alliance High School	Portland	237	11.7 %	23.3 %	33.8 %	41.6 %	45%	Yes
Arts and Technology High School	West Linn-Wilsonville	86	15.5 %	48.9 %	52.5 %	70.0 %	15%	Yes
Burns Alternative School	Harney County	21	12.5 %	50.0 %	55.6 %	66.7 %	19%	Yes
Centennial Park School	Centennial	174	10.2 %	21.3 %	40.8 %	46.1 %	40%	Yes
Central Medford High School	Medford	239	20.2 %	31.7 %	47.9 %	51.5 %	36%	No
Columbia County Education Campus	St Helens	89	18.4 %	16.7 %	34.1 %	38.6 %	14%	Yes
Community School	Beaverton	169	5.5 %	53.1 %	69.3 %	72.3 %	54%	Yes
Destinations Academy	Coos Bay	53	41.3 %	4.3 %	13.2 %	56.6 %	21%	Yes
Durham Center	Tigard-Tualatin	168	18.8 %	38.8 %	63.6 %	66.7 %	37%	Yes
Early College High School	Salem-Keizer	194	1.5 %	80.0 %	92.9 %	92.9 %	45%	Yes
Eugene Education Options	Eugene	298	16.5 %	28.2 %	35.4 %	48.3 %	24%	No
Falcon Heights Academy	Klamath County	106	64.8 %	7.4 %	14.0 %	31.6 %	28%	No
Gateways High School	Springfield	123	21.6 %	9.7 %	29.6 %	35.2 %	35%	No
Hawthorne Middle/High School	Pendleton	38	19.8 %	27.6 %	17.1 %	39.0 %	22%	No
Innovative Learning Center**	Hermiston	129	25.4 %	4.1 %	9.3 %	41.7 %	43%	No
Kalapuya High School	Bethel	106	16.6 %	30.5 %	57.7 %	65.4 %	23%	No
Marshall High School	Bend-LaPine	206	11.8 %	32.9 %	34.7 %	47.5 %	20%	No
Metropolitan Learning Center	Portland	419	3.5 %	91.4 %	83.9 %	96.8 %	11%	Yes
New Urban High School	North Clackamas	128	15.0 %	24.5 %	44.8 %	58.2 %	18%	No
North Columbia Academy	Rainier	41	17.7 %	44.4 %	47.6 %	52.4 %	15%	No
Pioneer Secondary Alt. High School	Crook County	62	8.6 %	35.4 %	32.0 %	56.0 %	21%	Yes
Reynolds Learning Academy	Reynolds	241	15.6 %	29.3 %	40.3 %	43.8 %	54%	No
Roberts High School	Salem-Keizer	530	27.3 %	11.4 %	19.0 %	47.9 %	46%	Yes
Sheridan Spartan Academy**	Sheridan SD	7	42.9 %	0.0 %	0.0 %	10.0 %	14%	No
Wahtonka Community School	North Wasco County	87	23.9 %	35.0 %	40.0 %	44.0 %	29%	No
Woodburn Success	Woodburn	142	8.6 %	50.0 %	64.9 %	64.9 %	92%	Yes

### Online Alternative Schools

Program Name	District Name	2016 spring enrollment*	Dropout rate	4-year grad rate	5-year grad rate	5-year completion	Underserved Race/Ethnicity***	ODE Alt Ed Data Collection?
Dillard Alternative High School	Winston-Dillard	50	22.8 %	18.8 %	37.9 %	37.9 %	12%	Yes
EAGLE CAP Innovative HS	Baker	32	8.6 %	50.0 %	31.3 %	43.8 %	15%	Yes
Samuel Brown Academy	Gervais	59	23.1 %	14.6 %	28.6 %	38.1 %	67%	Yes
URCEO	Eagle Point	78	21.9 %	0.0 %	0.0 %	49.0 %	25%	Yes
Winter Lakes School	Coquille	180	10.7 %	47.6 %	57.9 %	57.9 %	18%	Yes

### District-Run Online Schools

Program Name	District Name	2016 spring enrollment*	Dropout rate	4-year grad rate	5-year grad rate	5-year completion	Underserved Race/Ethnicity***	ODE Alt Ed Data Collection?
Hillsboro Online Academy	Hillsboro	192	6.5 %	40.5 %	66.7 %	79.6 %	22 %	N/A- Not Alt Ed

### Online Charter Schools \*\*\*\*

Program Name	District Name	2016 spring enrollment*	Dropout rate	4-year grad rate	5-year grad rate	5-year completion	Underserved Race/Ethnicity***	ODE Alt Ed Data Collection?
Baker Web Academy	Baker	775	9.2 %	43.2 %	47.6 %	50.8 %	11%	N/A- Charter
Clackamas Web Academy	North Clackamas	488	9.3 %	68.8 %	75.9 %	80.7 %	9%	N/A- Charter
Crater Lake Charter Academy	Eagle Point	244	10.3 %	56.7 %	37.5 %	37.5 %	11%	N/A- Charter
Insight School of OR – Painted Hills	Mitchell	354	75.6 %	11.9 %	20.4 %	27.7 %	21%	N/A- Charter
Metro East Web Academy	Gresham-Barlow	329	19.9 %	50.3 %	43.6 %	60.1 %	23%	N/A- Charter
Oregon Connections Academy	Santiam Canyon	4147	12.9 %	61.7 %	65.7 %	72.8 %	14%	N/A- Charter
Oregon Virtual Academy	North Bend	1883	16.3 %	28.3 %	33.0 %	42.8 %	16%	N/A- Charter
Oregon Virtual Education - West	Gaston	66	38.5 %	9.5 %	4.8 %	9.5 %	17%	N/A- Charter
Sheridan All Prep Academy	Sheridan	153	25.0 %	30.0 %	37.5 %	50.0 %	13%	N/A- Charter
Silvies River Charter School	Frenchglen	163	21.4 %	35.3 %	20.0 %	20.0 %	5%	N/A- Charter
Summit Learning Charter	Estacada	720	4.6 %	71.4 %	51.3 %	61.3 %	14%	N/A- Charter
West Lane Technology Learning Ctr	Fern Ridge	102	47.5 %	11.1 %	27.5 %	35.0 %	23%	N/A- Charter

\* All data from 2015-16 school year unless otherwise noted. Enrollment is for all grades, not just high school grades.

\*\* School closed for 2016-17 School Year.

\*\*\* Historically Underserved Race/Ethnicity: Students are included in this student group if their race/ethnicity is Black/African American, Hispanic/Latino, American Indian/Alaska Native or Native Hawaiian/Pacific Islander.

\*\*\*\* Online charter list does not include Fossil Charter School or Paisley School, whose online programs end in grade 8.



# Oregon

Kate Brown, Governor



OREGON  
DEPARTMENT OF  
EDUCATION

*Oregon achieves . . . together!*

**Colt Gill**

Acting Deputy Superintendent of Public Instruction

December 14, 2017

Kip Memmott, Director  
Secretary of State, Audits Division  
255 Capitol St. NE, Suite 500  
Salem, OR 97310

Dear Mr. Memmott,

This letter provides a written response to the Audits Division's final draft audit report titled "Stronger Accountability, Oversight and Support Would Improve Results for Academically At-Risk Students in Alternative and Online Education."

The numbers of online, charter, virtual schools, and online credit recovery programs are growing quickly across the country and Oregon's numbers and growth are consistent with this national trend. Because of this, ODE appreciates the Secretary of State's Audit and the opportunity to examine - with this external assistance - how Oregon students in these environments are faring.

Oregon's Consolidated State Plan Under ESSA guides much of ODE's work with alternative education schools and programs as evidenced in our responses to the SOS Recommendations included next. It is important to ODE that students enrolled in these programs are taught by skilled teachers, using curricula available in Oregon's traditional schools with high achievement, academic success and graduation rate outcomes at or above our state averages for all students.

With help from the targeted recommendations of this audit we have nearly completed the building and implementation of a definition of alternative education schools and programs, identifying each entity and including all such schools and programs in our public performance reports. This includes developing appropriate outcome measures and using these to select any charter, online, virtual and online schools and credit recovery programs that might need improvement.

Much of this work has begun. ODE reports alternative education information on school and district report cards and other agency performance reports. A toolkit is being developed to support the work of alternative education programs. It features best practices and charter schools that achieve strong success outcomes.

Below is our detailed response to each recommendation in the audit.

<b>RECOMMENDATION 1</b>		
ODE should develop a clear definition of alternative education schools and programs, make accurate lists of these schools and programs, and identify them in public performance reporting.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	Definition for alternative schools is drafted and is pending approval from relevant committees by 3-30-18 Accurate lists will be collected by 5-1-18 Public performance reporting will be available by 11-30-18	Isabella Jacoby 503-947-5878

#### **Narrative for Recommendation 1**

ODE is in the final stages of developing an alternative education definition. It will be approved by the relevant committees by mid-March, 2018. ODE will then verify and/or update the status of all accountable schools, including the four identified by the auditors as having discrepancies, by contacting each district using existing update processes. This will be completed prior to the opening of the Achievement Data Insight validation for institution information, in May 2018. Alternative education status will now be added to the data validation process to further confirm data accuracy. As part of the ongoing report card redesign process the mechanism for identifying these schools as alternative will be developed and included on the 2017-18 report cards, which will be published in October 2018.

<b>RECOMMENDATION 2</b>		
ODE should add an alternative designation for performance reporting purposes for charter schools that focus on at-risk students.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	Spring 2018	Kate Pattison 503-947-5691

#### **Narrative for Recommendation 2**

ODE will convene a stakeholder group to review and make recommendations for alternative school reporting and accountability. This stakeholder group would include district staff, alternative school staff, parents, community organizations, and education partners across the state. This group could develop recommendations for measures that can be used to better evaluate alternative schools, and

**Narrative for Recommendation 2 cont.**

how this work could align and support existing school improvement efforts in the state. These recommendations will need to align with the Oregon Plan under ESSA and with the ESSA law itself, which has specific language regarding accountability for schools serving at-risk youth.

This group would also make recommendations for any new data collections that would be required. These recommendations would be presented to ODE, the State Board, and the legislature for consideration. ODE staff will review the impact of proposed collections on school and district staff, and on ODE staff resources. Implementation of proposed collections would likely require funding from the Legislature. If such funding is obtained, ODE would convene a stakeholder group to determine the scope and specific data elements for these collections.

<b>RECOMMENDATION 3</b>		
ODE should develop publicly reported measures for alternative schools and for alternative programs that allow for more meaningful performance evaluation. Focusing on a limited set of additional measures – such as student growth, credit accumulation rates, and attendance improvement – could help address district workload concerns.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	Develop publicly reported measures for alternative schools and for alternative programs for meaningful performance evaluation by 6-30-2018	Jon Wiens 503-947-5764

**Narrative for Recommendation 3**

ODE will convene a stakeholder group to review and make recommendations for alternative school reporting and accountability. This stakeholder group would include district staff, alternative school staff, parents, community organizations, and education partners across the state. This group could develop recommendations for measures that can be used to better evaluate alternative schools, and how this work could align and support existing school improvement efforts in the state. This group would also make recommendations for any new data collections that would be required. These recommendations would be presented to ODE, the State Board, and the Legislature for consideration.

<b>RECOMMENDATION 4</b>		
ODE should use the more meaningful metrics identified in response to Recommendation 3 to identify schools and programs that need improvement.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	Fall 2018	Kate Pattison 503-947-5691

#### Narrative for Recommendation 4

After the process described in Recommendation 3's response is completed, the chosen metrics will be used to identify schools and programs in need of improvement.

<b>RECOMMENDATION 5</b>		
ODE should evaluate methods to increase accountability for traditional high schools that transfer students to alternative schools and programs.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	Investigate options from national resources and review cross-state comparisons 4-1-18 Recommend Oregon option 6-30-18	Isabella Jacoby 503-947-5878 Jon Wiens 503-947-5764

#### Narrative for Recommendation 5

When students transfer to non-accountable alternative programs, Oregon uses a method to “track” students back to their last accountable high school for graduation rate purposes. We will evaluate the feasibility of expanding this method to other accountability reporting in order to hold specific high schools accountable for as many students as is possible.

<b>RECOMMENDATION 6</b>		
ODE should evaluate the adequacy of its staffing for the alternative education program and how other departments and staff, such as school improvement staff and data analysts, can best support that function.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	8-1-18	Theresa Richards 503-947-5992

#### Narrative for Recommendation 6

ODE will be evaluating the adequacy of ODE staffing for the alternative education program including evaluating how other department and staff can best support that function.

<b>RECOMMENDATION 7</b>		
ODE should establish standards and guidance for key alternative education practices, including district annual evaluations, referrals to alternative education schools and programs, credit standards, monitoring of student progress, and student-teacher ratios.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	6-29-18	Bob Salazar 503-947-5981

#### **Narrative for Recommendation 7**

Using state comparisons provided in the SOS Alternative Education audit, ODE will begin with an analysis of proven policies working elsewhere for standards to guide alternative education schools and programs. (5-1-18). Using the findings from the policy analysis, ODE will assemble a stakeholder advisory group of current alternative education programs and educational policy experts from Oregon to develop processes for annual evaluations, credit standards and recommendations for shared monitoring of student progress and student-teacher ratios between ODE and the alternative schools and programs. (2-15-19).

<b>RECOMMENDATION 8</b>		
ODE should confirm that districts with alternative schools and programs are following the standards developed in response to Recommendation 6 by reviewing efforts at districts and schools. Reviews could focus on low-performing schools.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	6-30-18	Bob Salazar 503-947-5981

#### **Narrative for Recommendation 8**

Once policies, procedures and written professional development materials from ODE have been created and distributed to the districts with alternative schools and programs (Spring 2019), ODE will develop a monitoring system to evaluate the alternative schools and programs using student success measures via data collections. ODE proposes examining the effectiveness of developing a separate annual report for student success outcomes for alternative schools and programs or including these measures in a section of ODE's annual reporting measures (starting 2019-2020 academic year).

<b>RECOMMENDATION 9</b>		
ODE should work with districts and schools to identify successful alternative education approaches that other districts and schools can emulate.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	6-30-18	Bob Salazar 503-947-5981

#### **Narrative for Recommendation 9**

As part of the advisory group of stakeholders described in the response to Recommendation #7, ODE will include Oregon experts in that group who can help ODE identify successful alternative education programs. Once identified, ODE will engage administrators and staff from those alternative education schools and programs in creation of the professional development materials described in the response to Recommendation #8. By doing so, other districts and schools will have these materials as guides in their own design of new, or redesign of existing, alternative education programs and schools. ODE anticipates that with proven strategies widely available, schools and districts will have guidance from ODE and the stakeholder advisory group as they develop alternative education models across Oregon.

<b>RECOMMENDATION 10</b>		
ODE should work with online schools and other stakeholders to strengthen attendance and funding standards for virtual schools.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	ODE will convene online school leaders and other stakeholders and make revisions to the Student Accounting Manual to take effect for the 2019-20 school year.	Kate Pattison 503-947-5691 Carla Wade 503-947-5631

#### **Narrative for Recommendation 10**

ODE staff will begin working with Online School Leaders to discuss attendance standards. Quarterly meetings currently scheduled, next date is January 5, 2018. Additional Stakeholder input will be gathered starting spring of 2018. Staff will draft revisions to manual for public comment and incorporate input to a revised manual by Fall 2018. Data Governance Committee will review and approve proposed revisions. State Board of Education will review proposed revisions by March 2019. Updated manual with revisions will be used in the implementation during the 2019-20 school year.

<b>RECOMMENDATION 11</b>		
ODE should improve public reporting of online school performance and student engagement. Options include reporting teacher-student loads, student turnover, and credit accumulation rates, and including virtual schools in new alternative school accountability systems when appropriate.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	Plan developed by 6-30-18 Initial Public reporting implemented by 10-15-18	Jon Wiens 503-947-5764

#### **Narrative for Recommendation 11**

ODE has begun reporting information on virtual schools in data briefs and in the statewide report card. ODE will leverage the stakeholder group formed under Recommendation #3 and have this group review and make recommendations for improved reporting of online schools. Improved public reporting using existing data elements could begin in Fall of 2018, but some would require ODE to collect additional data elements. Recommendations for additional data collections would be reviewed by ODE, the State Board and the Legislature.

<b>RECOMMENDATION 12</b>		
ODE should verify the quality and suitability of online credit recovery options used by Oregon schools.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	6-20-19	Kate Pattison 503-947-5691 Carla Wade 503-947-5631

#### **Narrative for Recommendation 12**

ODE will develop strategies to include credit recovery materials in the instructional materials review process. This will require working with the legislature to amend the Instructional Materials statutes to include "materials used for credit recovery" in the language and definitions. Following the revision of statute, ODE would work with stakeholders to develop OARs to support the changes in statute. The documentation requirements and review process would follow the same format that is already established for core content. Those materials that pass the review will be placed on an approved list to be adopted by the State Board of Education. Districts or programs choosing to adopt credit recovery resources that are not on the adopted list would follow the established independent review process. The independent review requires the district to evaluate the materials against the state instructional materials review criteria and make a plan for how the materials would be supplemented with something else to cover the identified gaps.

It is expected this new work would require additional staffing to:

- a. Develop suggested language for the statutory revisions
- b. Develop associated OARs to support the revised statutes
- c. Work with publishers to disseminate information about the review of credit recovery instructional materials
- d. Work with the staff and stakeholders to establish review criteria for credit recovery materials
- e. Run the credit recovery instructional materials process
- f. Work with other staff to coordinate this work with the core content areas adoption process

This would only cover credit recovery instructional materials. It would not address those online programs that are run external to the local school district. This would require a totally new review process that would include instructional practices, delivery, content, student and parent communications and other factors.

<b>RECOMMENDATION 13</b>		
ODE should develop standards for district reviews of online programs and charter agreements with online schools, and ensure districts are following them.		
<b>Agree or Disagree with Recommendation</b>	<b>Target date to complete implementation activities (Generally expected within 6 months)</b>	<b>Name and phone number of specific point of contact for implementation</b>
Agree	Fall 2018	Bob Salazar 503-947-5981

#### **Narrative for Recommendation 13**

ODE staff will review the impact of such a collection on school and district staff, and on ODE staff resources. Implementation of such a collection would likely require funding from the Legislature. If such funding is obtained, ODE would convene a stakeholder group to determine the scope and specific data elements for this collection. ODE is in the beginning stages of developing legislative concepts and policy options for the 2019 legislative session. Over the next three months, ODE's management team will review concepts submitted by ODE staff, the Governor's Office, our sister agencies, and will work to identify legislative concepts for the 2019 legislative session. ODE's legislative request will be submitted to DAS no later than April 9, 2018. DAS and the Governor's Education Policy Advisor will review our request. By July of 2019, ODE will know which of our legislative requests have been approved for the 2019 legislative session. Within this legislative request, ODE would require a new staff position with substantial program evaluation experience to conduct the analysis of the data collection and work with the stakeholder group to set standards for what would reflect acceptable quality and suitability for such programs.

**RECOMMENDATION 14**

ODE should work with the Legislature to require upgrades to accountability and oversight for alternative education, as some other states have done. Possibilities include:

- a) Developing a more precise statutory definition of alternative education.
- b) Upgrading public performance reporting for alternative schools and programs.
- c) Requiring publicly available annual improvement plans.
- d) Requiring ODE review of plans for low-performing schools and programs.

Establishing performance requirements that statewide and regional online schools must meet before they can grow.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 6 months)	Name and phone number of specific point of contact for implementation
Agree	Legislative concepts and policy options are being explored by ODE. We will submit all of our legislative request DAS no later than April 9, 2019	Jessica Nguyen-Ventura 503-378-5156

**Narrative for Recommendation 14**

ODE is the beginning stages of developing legislative concepts and policy options for the 2019 legislative session. We will explore recommendation #14 with ODE's management Team. Over the next couple of months, ODE's management team will review concepts submitted by ODE staff, the Governor's Office, our sister agencies, and will work to identify legislative concepts for the 2019 legislative session. ODE's legislative request will be submitted to DAS no later than April 9, 2018. DAS and the Governor's Education Policy Advisor will review our request. By July of 2019, ODE will know which of our legislative request have been approved for the 2019 legislative session.

**RECOMMENDATION 15**

ODE should work with the Legislature to increase standards for sponsors of statewide and regional virtual charter schools. Options that ODE and the Legislature could explore include spelling out individual district responsibilities in detail, increased ODE oversight of districts, and shifting sponsorship of the schools to a central body.

Agree or Disagree with Recommendation	Target date to complete implementation activities (Generally expected within 6 months)	Name and phone number of specific point of contact for implementation
Agree	Legislative concepts and policy options are being explored by ODE. We will submit all of our	Jessica Nguyen-Ventura 503-378-5156

	legislative request DAS no later than April 9,2019	
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**Narrative for Recommendation 15**

ODE is the beginning stages of developing legislative concepts and policy options for the 2019 legislative session. Over the next couple of months, ODE’s management team will review concepts submitted by ODE staff, the Governor’s Office, our sister agencies, and will work to identify legislative concepts for the 2019 legislative session. ODE’s legislative request will be submitted to DAS no later than April 9, 2018. DAS and the Governor’s Education Policy Advisor will review our request. By July of 2019, ODE will know which of our legislative request have been approved for the 2019 legislative session.

Please contact Colt Gill at 503-947-5652 with any questions.

Sincerely,



Colt Gill  
Acting Deputy Superintendent

cc: Cindy Hunt  
Acting Chief of Staff