Ohio | Department of Education

John R. Kasich, Governor
Paolo DeMaria, Superintendent of Public Instruction

September 26, 2016

VIA EMAIL AND CERTIFIED MAIL 7014 0510 0000 3720 8725

Rick Teeters
Superintendent
Electronic Classroom of Tomorrow (ECOT)
3700 South High Street, Suite 95
Columbus, OH 43207-4083

Dear Mr. Teeters,

This letter informs you of the statutorily required final full-time equivalency (FTE) determination that the Ohio Department of Education made for ECOT's 2015-2016 school year. Based upon the information provided by ECOT to the department for the 2015-2016 school year and in accordance with Ohio Revised Code (Section 3314.08(H)), the department has made a final determination that ECOT's FTE is 6,312.62, which is a 58.8 percent less than the 15,321.98 FTE reported by ECOT. The reasons for this determination are outlined below.

Pursuant to ORC 3314.08(H), the department attempted to conduct a final FTE review for ECOT beginning on July 11, 2016, which would include a review of log-in and log-out records and non-classroom documentation. The department's three-day review concluded without the department having an opportunity to review the log-in and log-out records.

When department staff requested the log-in and log-out records on July 11-13, 2016, ECOT refused to provide that data despite having provided it to the department during the preliminary review on March 28-30, 2016. As a result, the department sought relief in the pending lawsuit filed by ECOT against the department and was successful in securing a court order that compelled the delivery of this information to the department. The court granted this relief on Aug. 1, 2016.

As required by the court, ECOT was ordered to provide a sample of 750 randomly selected student records, including the log-in and log-out records. The department was able to match 706 records provided by ECOT. The department reviewed those records and created the enclosed spreadsheet, which reflects the log-in and log-out times provided by ECOT.

From the 706 records verified by the department from ECOT's sample, ECOT reported 414.35 FTEs. After analyzing the log-in and log-out records and other records provided by ECOT, the department determined that this only amounted to 170.71 FTEs. The department then extrapolated the final FTE number to determine the overall reduction in FTEs.

The FTE review was conducted in accordance with:

1) ORC 3314.08(H)(3), which includes a statutory requirement that the department determine each student's percentage of "full-time equivalency" based on "learning opportunities" offered to the students;
2) ORC 3314.08(H)(2), which provides that for purposes of that section and (H)(3) and (H)(4) of that section, learning opportunities shall be defined in the contract with the sponsor, which describes both classroom and non-classroom-based learning opportunities and shall be in compliance with criteria and documentation requirements for student participation established by the department;
3) ORC Section 3314.03(A)(11), which requires schools to provide learning opportunities to a minimum of 25 students for a minimum of 920 hours per year; and
4) ORC Section 3314.27, which prohibits a student from participating in more than 10 hours per day.

Since learning opportunities can come in many forms, the January 2015 FTE Handbook serves as a set of instructions for staff on how to conduct the reviews. As noted on page 16 of the handbook, it requires the FTE reviewers to verify that an eSchool has maintained student attendance records, as specified in the school's written policy. Page 16 of the handbook further instructs reviewers to check the individual attendance record for each student whose record was pulled for the review. Specifically, the January 2015 FTE Handbook states:

> *The reviewer will check the individual attendance record for each student being reviewed. This attendance record should show when a student has logged on and off while accessing learning opportunities. A learning opportunity for an eSchool student could be documented computer time for doing homework in any subject, reading resource documents, writing resource papers, taking tests, doing research, conferencing with teachers, etc.*
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> *Non-classroom activities other than correspondence courses or non-classroom online instruction for a student that constitutes less than one-half of the student's instructional day must be documented and approved in writing by a teacher, supervisor or school administrator and must include an hourly/daily/weekly accounting that the hours documented were hours in which the student accessed a learning opportunity.*

This final determination was based on the records provided by ECOT to the department that documented durational time for internet- and/or computer-based learning opportunities as well as non-classroom, non-computer-based learning opportunities.

In accordance with ORC Section 3314.08(K), ECOT has ten (10) business days from the receipt of this letter to appeal this determination to the State Board of Education. Upon receipt of notice of appeal, the State Board of Education, or its designee, shall conduct an informal hearing on this matter within thirty (30) days of receipt of the request for an appeal and must then issue a decision within fifteen (15) days of the conclusion of the hearing. Any decision made by the State Board of Education is final. No adjustment to the FTE number (and funding) will be made until ECOT exhausts its appeal rights.

The department is committed to ensuring that all community schools receive their correct funding and that community schools are providing the educational services and programming for which Ohio taxpayers are paying.

In light of the problems that were identified in the 2015-2016 FTE review, ECOT will receive an FTE review in FY17 and in the meantime, staff will be in touch to work with you and your sponsor to offer technical assistance to address these issues.

Please feel free to contact the department with any questions you may have.

Sincerely,

Aaron Rausch
Director, Office of Budget and School Funding

cc: Apryl Morin, Director of Community Schools, ESC of Lake Erie West, Sponsor (letter only)
Paolo DeMaria, State Superintendent of Public Instruction
Diane Lease, Chief Legal Counsel
Kelly Berger-Davis, Assistant Chief Acct. and Auditing, Auditor of State (letter only)