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**SENATE
STATE OF COLORADO
DENVER**

September 26, 2011

The Honorable Lois Tochtrop, Chair
Legislative Audit Committee
Colorado State Senate
200 East Colfax Avenue
Denver, Colorado 80203

Re: Emergency Audit Request of Online Schools

Dear Senator Tochtrop:

I request an emergency audit be performed of full-time K-12 online educational programs receiving General Fund support.

Attached to this letter are three documents: (1) Rules For The Administration, Certification and Oversight of Colorado Online Programs promulgated by the Colorado Department of Education; (2) Summary Report of the Operations and Activities of Online Programs in Colorado, February 1, 2010; and (3) Online School Profiles, Fall 2010. Review of these documents raises serious concerns about the efficacy of some online educational programs, including, but not limited to:

- a. Programs with an exceedingly high student failure rate, some with more than 50% of enrollees either not passing their examinations or leaving the programs early;
- b. Programs maximizing enrollment numbers prior to the October 1 "count date" with little or no plan for retention or educational success after the state has paid for their instruction; and
- c. Programs that have failed to report required information and lack the appropriate level of oversight and accountability.

Given the short time before consideration of next year's budget allocations, I request a comprehensive audit of K-12 online school programs be completed prior to the start of the next legislative session, January 11, 2012. I would expect such an audit to answer, among other things, the following questions:

- What is the actual cost of running a K-12 online educational program? Are we funding online schools at an appropriate level, or should funding be increased/decreased?
- Which programs are "for profit"? How do their graduation rates and test scores compare with other online programs? What is the average profit margin for these programs?

- What is the average dropout rate? How does this compare with other educational programs and school systems in the state?
- What are the average CSAP scores for students attending online schools? How do these scores compare with other educational programs and school systems in the state?
- What happens to the average student who drops out from an online program? Do they drop out of school, or do they return to a traditional school setting? What happens to the funding allocated for these students if they drop out of the online program? Approximately how much money falls into this category?
- Who/What mechanism is in place for oversight of online schools? Are current oversight mechanisms adequate? Are there recommended practices for strengthening current oversight and accountability?
- How do Colorado's online school programs compare to those of other states? What are key features that make other online school programs successful/unsuccessful?
- Are there online schools currently operating in Colorado that should be decertified based on Colorado Department of Education rules and standards?

I recognize there are very legitimate needs that can be filled by online programs, such as course offerings being made available in rural parts of the state, and degree programs offered to students who help support their families or are otherwise unable to attend a traditional school. In an economic climate where the State of Colorado is forced to cut hundreds of millions of dollars from its education budgets, we must ensure that every dollar of tax-payer money is spent efficiently and effectively.

Information gathered by this audit will be critical in helping the General Assembly make budgeting decisions during the 2012 legislative session.

Thank you for your consideration in reviewing this request.

Sincerely,



Brandon C. Shaffer
President

Enclosures