

**Report on Funding Schools in the South Carolina Public Charter School District;
Brick-and-Mortar vs. Virtual Schools
Wayne Brazell, PhD,
Superintendent, South Carolina Public Charter School District**

An analysis of the cost differential between virtual schools and brick-and-mortar schools should start with a comparison of the major features in the two types of schools that have to be funded. The list below is an example of some of the items that create a cost differential in operating the two types of schools:

Brick-and-Mortar Schools Only

Buildings, classrooms, grounds
Security
Transportation
Energy
Athletics
Nursing

Virtual Schools Only

Office space
Course content and management system
Course development, delivery and upgrades
Communication device for teachers (cell phones, etc.)
Marketing and student recruitment

Both

Administration
Teachers
Professional Development
Students support
Student Information system
Special education services
Technology support
Computers
Evaluation
Course approval

Although logic might suggest that the cost of operating a virtual school would be significantly less than the operation of a brick-and-mortar school. The personnel costs (over 85% of most districts' budget), the technology costs, and the curriculum management costs of operating a virtual school is closer to brick-and-mortar schools than one might think. The most comprehensive report on funding virtual schools is a 2006 report funded by the Bell South Foundation entitled **20/20 Costs and Funding of Virtual Schools**. This report indicates that cost of operating both types of programs is similar when course development, delivery and maintenance are considered.

The current low level of funding for the South Carolina Public Charter School District is not sustainable for either type of school and it is probable that the district's brick-and-mortar and virtual schools will start closing in the very near future if we remain the lowest funded school district in the United States with regard to per student funding. The brick-and-mortar schools in the South Carolina Public School District have no state funds for facilities and no ability issue bonds to raise funds for facilities.

With an increase of funding for the district, we would recommend a funding plan for virtual schools similar to the North Carolina model. The funding calculations for that model are in your booklet. This plan transfers 75 per cent of funding from the Base Student Cost of each student who transfers from a traditional district to the North Carolina Virtual Public School. The current level of funding is approximately 75% of 3,000 dollars and the virtual school receives the local funds and categorical funds for each student. The minimal amount received for each virtual school student in North Carolina is approximately \$6,000.

It should be noted that most states simply have the "money follow the child" when it comes to funding public virtual schools. We could not identify any state that funded virtual schools at less than 75%.

Our recommendation is that students in brick-and-mortar schools receive parity in funding that they would receive in their resident district and that virtual students receive 75% of the funds they would have received in their resident district.

You also have in your packet a school assignment about being a virtual school student by a fourth grader in the South Carolina Virtual Academy, the number of students in SCPCSD from each traditional district, the number of students in SCPCSD from each county, and the number of students from each district in the South Carolina Virtual Academy. Seph's family gave permission for his class work to be included.