

# Recommendations Regarding the Governance, Operation and Organization of the Florida Virtual School



Florida Department of Education  
November 1, 2019

# Introduction

## Problem Statement

Florida Virtual School (FLVS), often cited as a national model for the delivery of high quality online curriculum to students, was plagued in recent years with recurring leadership crises that threatened to destabilize what was otherwise a school with high quality educators, curriculum and innovative online course delivery.

There were accusations, investigations or findings for numerous areas of concern:

- A data breach in 2018;
- Leadership instability;
- Questionable hiring practices;
- Perceptions of “self-dealing” behaviors;
- Inappropriate work climate;
- Improper purchasing and contracting;
- Employees conducting work on FLVS’ time unrelated to FLVS; and
- Billing FLVS for travel unrelated to FLVS.

Ultimately, FLVS’ 7-member board could barely maintain four (4) seats filled due to the trustees’ publicly stated desire to disassociate themselves with the ongoing struggles of FLVS’ administration.

Legislative action and a change in leadership was paramount and ultimately occurred in 2019, in order to immediately assess what was working, what was broken and course correct FLVS, a school that is critical to the educational pathways for more than 200,000 Florida students.



# Introduction

## Florida Virtual School (FLVS)

FLVS was established in 1997 to implement a virtual learning model in Florida. FLVS was the country's first statewide Internet-based public high school. Today, FLVS is a fully accredited, statewide public school offering more than 180 courses to Kindergarten-grade 12 students. Students log into the classes online, access the lesson, and work independently on assignments and projects. They set their own pace but must maintain active involvement to continue in the course. FLVS, and online/virtual education in general, is very popular with students who need educational opportunities that are perhaps not available in nearby schools, such as:

- Victims of bullying;
- Homeschooled students;
- Children of military and overseas families;
- Students with unique levels of extracurricular commitments (athletics, music, theatre, etc.);
- Students needing specialized or advanced courses their school does not offer;
- Students with severe health problems;
- Students who need to learn at their own pace; and
- Students with behavioral problems for whom virtual education offers a safer space to learn.

During the 2018-2019 school year, FLVS served more than 200,000 students in Florida through full- and part-time instruction throughout the school year, including 5,540 full-time students and 209,965 part-time students, who completed a total of 518,045 courses. The cost for Florida students is paid for by the Florida Education Finance Program (FEFP), per course, at a total cost of \$5,230 for full-time students. Additionally, FLVS Global served 3,316 students achieving 6,832 semester completions in 50 states and over 100 countries and territories. Students served through FLVS Global pay the cost of tuition and applicable fees. Revenues generated from FLVS Global are reinvested in FLVS' core mission to develop courses for and to serve Florida's students.



# Introduction

## SB 2502, Chapter No. 2019-116

In 2019, the Legislature passed and the Governor approved [Senate Bill 2502 \(Chapter No. 2019-116\)](#), implementing the 2019-2020 General Appropriations Act.

Section 12 of SB 2502 required:

- The State Board of Education (SBOE) to serve as the board of trustees for the Florida Virtual School (FLVS) through June 30, 2020.
  - The SBOE shall appoint an executive director, which was done on July 1, 2019.
  - The executive director (CEO), Dr. Louis Algaze, shall report directly to the Commissioner of Education.
  - The executive director shall facilitate an independent third party financial, operational and performance audit of FLVS.
- 
- The independent auditor submitted recommendations to the Commissioner of Education on October 1, 2019.
  - Herein, the Florida Department of Education (FDOE) is submitting recommendations to the Governor, President of the Senate and Speaker of the House on November 1, 2019.

Full text of the audit requirements from SB 2502:

- The executive director shall, within existing resources, competitively award a contract for an independent third-party consulting firm to conduct financial, operational, and performance audits, as defined by s. 11.45, Florida Statutes, of the Florida Virtual School in accordance with generally-accepted government auditing standards. The Office of the Inspector General of the Department of Education shall oversee the audit. The consulting firm shall submit the results of the audit along with recommendations in accordance with s. 1002.37, Florida Statutes, to the Commissioner of Education by October 1, 2019. The Department of Education shall provide recommendations regarding the governance, operation and organization of the Florida Virtual School to the Governor, the President of the Senate and the Speaker of the House of Representatives by November 1, 2019.”





# Executive Summary

## Ernst & Young's (EY) Evaluation

In June 2019, FDOE with collaborative support from FLVS, issued a request for quotes (RFQ) for auditing services for FLVS, pursuant to the terms of SB 2502. FDOE issued the RFQ in order to have this process underway and timely, prior to the SBOE officially becoming the board of trustees for FLVS in July 2019. During FLVS' July 1 board of trustees meeting, the SBOE authorized the new CEO, Dr. Louis Algaze, to finish the RFQ process and select a firm to conduct the performance audit. FLVS selected EY, who had also been separately selected to conduct a nearly concurrently-timed cybersecurity review of FLVS. The cybersecurity audit stemmed from a school year 2017-2018 data breach of FLVS' systems that exposed the personal information of students and teachers. While the recommendations here focus on the performance evaluation, and the cybersecurity audit is confidential due to the security-driven nature of the information, the parallel timing of the two audits was very informative for EY, FLVS and FDOE.

According to EY's performance evaluation (*Appendix, pages 15-16*), FLVS delivers a high value to the state of Florida, students, families and taxpayers. EY's evaluation identified five key points of value:

1. FLVS (and all virtual providers in Florida) are 100% performance-base funded, where a student must successfully complete a course for the provider to be funded. **Florida is one of just a few states to fund virtual education by completions.**
2. FLVS saves the state of Florida more than \$78 million per year, based on a savings of \$151.74 per course taken.
3. FLVS offsets the financial impacts of Florida's constitutionally-mandated class size requirements, offsetting some of the need to fund new classrooms.
4. FLVS offers school districts the ability to offer new courses and scale participation in those courses without having to deal with traditional obstacles of scheduling, cost of course creation, curriculum, etc.
5. FLVS integrates with Florida's choice programs to allow students to both access those programs and ensure that they have access to courses that meet unique needs.

*See the Appendix for EY's complete performance assessment of FLVS, as provided to the Commissioner of Education on October 1, 2019.*



# Executive Summary

## Ernst & Young's (EY) Evaluation (cont.)

Based on their analysis, EY developed **seven (7) general types of recommendations** for FLVS. Some recommendations can be accomplished without legislation or rule change, while most would either require or benefit from codification in Florida Statutes, state board rule or at least FLVS' official policies and procedures.

1. FLVS and FDOE should collaboratively develop additional operational and performance measures (*Appendix, page 19*).
2. FLVS' leadership should continue to restructure governance, such that FLVS executive team are empowered to manage day-to-day operations, allowing the board to focus more on strategy and vision-setting (*Appendix, page 20*).
3. FLVS should develop and formalize an enterprise risk management program across all departments (*Appendix, page 21*).
4. FLVS should greatly enhance and formalize its internal audit functions.
5. FLVS's new leadership team should continue to consolidate and revise policies, bylaws and standard operating procedures, with state board approval where necessary, to create efficiencies and implement critical policy changes from other documented reviews of FLVS' procurement and cybersecurity policies (*Appendix, pages 23 and 25-26*).
6. FLVS should reset the mission, vision and goals of the FLVS Foundation, its board membership and bylaws to ensure operational alignment and transparency in operations (*Appendix, page 24*).
7. FLVS should formalize an information technology vendor risk management program (*Appendix, page 27*).

*See the Appendix for EY's complete performance assessment of FLVS, as provided to the Commissioner of Education on October 1, 2019.*



# Executive Summary

## Florida DOE's Recommendations

Following receipt of EY's report, Commissioner of Education Richard Corcoran, FLVS' CEO Dr. Louis Algaze and leadership of both FDOE and FLVS collaborated to develop recommendations with **three (3) essential goals** in mind.

1. Ensuring stakeholders' confidence – FLVS needs to operate ethically, with efficacy and transparently.
2. Setting the bar for excellence – FLVS should be the model for accessible and high-quality virtual education.
3. Giving students the best possible conditions for success – virtual education in Florida should be a competitive marketplace that is held accountable by ensuring that parents and students have consumable information to make great choices.

The recommendations herein to achieve these goals are divided into **nine (9) strategic initiatives**.

*Applicable to FLVS only, except where noted*

1. Governance – Create operational efficiencies by refining the role of the board and executive director (CEO).
2. Ethics – Improve ethical safeguards, formalize the role of an inspector general, auditor, and bring FLVS' policies up to that of all state agencies.
3. Cybersecurity – Protect student information and ensure the efficacy of information technology investments.
4. Finance – Right-size FLVS' costs and revenues to best serve families and the entire Florida education family.
5. Accessibility – Create a free resource library for teacher professional development and students, beyond those FLVS serves.
6. Student Demand – Evaluate course offerings annually and explore opportunities for FLVS to fill gaps in workforce education; alternative, juvenile justice and corrections education; and education for adults seeking high school diplomas.
7. FLVS Global – Expand out-of-state services that increase FLVS revenues to support course development and enhancement for Florida students.

*Applicable to All Virtual Education Providers in Florida*

8. Accountability – Provide parents and students with better and more relevant data on all virtual providers.
9. Competition – Allow for greater competition in Florida's virtual education arena, creating greater critical mass for quality.



# Completed

## September to October, 2019

Upon becoming FLVS' new CEO, Dr. Algaze was able to quickly identify more than **\$660,000 in annual savings** through reductions in leadership salaries, consolidation of duties and meeting the needs of contracted government relations functions through less expensive in-house staff.

- Dr. Algaze quickly identified changes were needed to the leadership and working structure of FLVS. The size and salaries of the leadership team were bloated and did not align with the scope of work.
- Early analysis also showed that the deputies in some divisions were more than capable of overseeing the day-to-day functions and the leaders of those divisions were not actually doing the heavy lift.
- FDOE helped FLVS identify experienced highlevel senior staffers who had the capacity to absorb the duties of multiple outgoing staffers and could immediately bring diverse skills sets to the table to ensure that Dr. Algaze has complementary senior leaders by his side. The individual and collective salaries of these new hires were also set to ensure savings for a leaner and more efficient FLVS.
- Additionally, \$180,000 in annual savings was immediately achieved by Dr. Algaze, with approval of the SBOE, through the elimination of two contracts for lobbying services. Most state agencies, colleges and universities are prohibited by law from using state funds for contract lobbying services and in the spirit of FLVS' role as a state-run entity, Dr. Algaze recommended that FLVS live under the rules as all other state agencies.



# Completed

## September to October, 2019 (cont.)

Dr. Algaze was further able to immediately identify **\$4 million in savings and efficiencies**. With SBOE approval, those dollars were subsequently redirected to provide a teacher pay increase to FLVS' approximately 1,800 teachers, 4% for highly effective teachers and 2% for effective teachers for the 2019-2020 school year.

- Dr. Algaze identified \$1.5 million in vacant positions;
- \$1.5 million in new revenue; and
- \$1.0 million in changes to accounting practices for reserves to reduce inefficient and wasteful bloating.

In the Florida Department of Education's proposed 2020-2021 Legislative Budget Request (LBR), the SBOE further approved a four-year phase out of FLVS' portion of the State Funded Discretionary Contribution, allowing nearly **\$20.2 million to be redirected** to the Base Student Allocation (BSA) for all school districts.

- For the 2019-2020 school year, FLVS' portion of the State Funded Discretionary Contribution is funded at nearly \$20.2 million.
- The State Funded Discretionary Contribution provides funds to the developmental research schools and FLVS in lieu of the discretionary local tax revenue generated by traditional school districts, without restriction on the purpose of the revenue.

Dr. Algaze achieved financial efficiencies with the support of the SBOE through a comprehensive review of FLVS' reserve balance.

- The FLVS' practice in the past had been to have any unspent revenue returned into the Reserves line item.
- With a number of vacant positions and higher than expected revenues over the last two school years, FLVS's fund balance stood at roughly 30% of revenues.
- By closing unfilled positions and adjusting budgeting practices, **Dr. Algaze was able to cut in half, to 15%, the reserve fund balance**, so that FLVS only maintains what is necessary for circumstances like the unpredictability in enrollment that choice programs have and the fact that FLVS cannot, unlike school districts, incur debt.



# Completed

## September to October, 2019 (cont.)

Following receipt of EY's evaluation, FLVS identified its franchise model as another means by which its value-add could be increased for Florida's school districts. The leadership team plans to present a proposal at the January 2020 SBOE meeting to reduce the costs of its franchise model to charge only what is necessary for cost recovery. In other words, FLVS would only charge school districts a franchise fee that is adequate to recover the costs for providing the course (*Strategy 4*).

- **This will save school districts \$2,190,861 million annually.**
- A recent analysis shows that FLVS generates approximately \$6 in franchise fees from school districts for every \$5 spent to provide the courses.
- FLVS' franchise model allows school districts to leverage content by licensing curriculum, virtual instruction and digital labs from FLVS.
- 185,716 courses were completed by traditional public school students in the 2018-2019 school year through FLVS licensed district franchises.
- 65 school districts run their district's virtual schools through a franchise arrangement with FLVS.

*In total, FLVS' new leadership team is already in the process of **saving or repurposing approximately \$27 million** in just their first four (4) months of work.*



# Strategy 1

## Governance

STRATEGY: THE ROLE OF THE FLVS BOARD OF TRUSTEES AND EXECUTIVE DIRECTOR (CEO).

The FLVS board's primary goal should be to set the vision, approve the strategic plan, represent FLVS in networking and development opportunities and appoint a CEO to execute the mission, vision and goals. However, the trustees are currently mired in the line-by-line details of procurement and employment decisions for which the trustees could not possibly be fully knowledgeable of. Addressing these issues will help FLVS successfully return to its own board of trustees, rather than oversight by the SBOE, and position that new board of trustees and the school to continue delivering successful outcomes for Florida's students.

- Keep all board appointments at the sole discretion of the Governor. [current law]
- Reduce the size of the board of trustees from 7 to 5. [legislation]
- Create 8-year term limits; comprised of two 4-year terms. [legislation]
- Maintain the requirement from SB 2502 that the CEO is a direct report to the Commissioner of Education for day-to-day operations. [legislation]
- Give the CEO greater authority to run the day-to-day operations. [board policy]
- Allow the trustees to delegate their authority to the CEO much like s. 1001.02(2), F.S. allows the SBOE to delegate its authority to the Commissioner of Education. [legislation]
- Decrease the trustees' role in personnel decisions. [legislation]
- Decrease the trustees' role in procurement. [board policy]
- Decrease the trustees' role in standard operating procedures. [board policy]
- Formalize the role of the executive director (CEO), who shall serve by the appointment and at the pleasure of the trustees, in statute. [legislation]



# Strategy 2

## Ethics

STRATEGY: IMPROVE ETHICAL SAFEGUARDS, FORMALIZE THE ROLE OF AN INSPECTOR GENERAL, AUDITOR, AND BRING FLVS' POLICIES UP TO THAT OF ALL STATE AGENCIES.

While FLVS and its board of trustees operate like a school district, the school is ultimately still a hybrid of a state agency and a school district and would benefit greatly from closer alignment to policies that state agencies must follow.

- Prohibit trustees having any business relationship with FLVS, during the term of the appointment and for six years after the appointment's end; and prohibit the FLVS foundation's trustees having any business relationship with FLVS. [board policy as a first step and legislation to build the policy to full scale]
- Subject FLVS trustees and employees to [Chapter 112](#), F.S., just like other state employees. [legislation]
  - Draft law to bring FLVS' foundation up to the organizational, operational and audit requirements of most state agency direct support organizations. [legislation]
  - Require that once every three years the Auditor General shall conduct an operational audit. [legislation]
- Establish, just as in any state agency, an Office of the Inspector General (IG) to provide a central point for coordination of and responsibility for activities that promote accountability, integrity and efficiency in state government. [board policy as a first step and legislation to build the policy to full scale]
  - Create within the IG's office two distinct functions: audits and investigations. [board policy as a first step and legislation to build the policy to full scale]
  - Require both the IG and auditing functions to adhere to the most current professional standards and practices, including the establishment of an annual audit plan that must be approved by the CEO. [board policy as a first step and legislation to build the policy to full scale]
  - Require that the IG serve as a direct report to the FDOE's IG, and FLVS must hire in consultation with FDOE's IG and the Governor's IG. [legislation]





# Strategy 3

## Cybersecurity

STRATEGY: PROTECT STUDENT INFORMATION AND ENSURE THE EFFICACY OF INFORMATION TECHNOLOGY INVESTMENTS.

FLVS has implemented much-needed improvements in security since the cyber breach in February 2018. While these improvements are moving FLVS in the right direction, the cybersecurity program needs to be strengthened through better documentation, framework design and a new reporting structure to continue defending itself against threats and reduce cybersecurity risks to the organization and its information assets.

- Require FLVS, along with all school districts and state colleges, to align with state cybersecurity requirements to enhance protection of student data, leveraging federal National Institute of Standards and Technology (NIST) best practices. [board policy as a first step and legislation to build the policy to full scale]
- Establish a formal information technology risk management program and institute a formalized process for security governance over enterprise information technology. [CEO decision]
- Hire a new Chief Information Security Officer, who will report to the CEO and COO. [CEO decision]
- Implement with urgency EY's cybersecurity recommendations. [CEO decision]



# Strategy 4

## Finance

STRATEGY: RIGHT-SIZE FLVS' COSTS AND REVENUES TO BEST SERVE FAMILIES AND THE ENTIRE FLORIDA EDUCATION FAMILY.

Only Florida and a couple other states fully fund virtual education based on course completions – **100% performance funding** – and these recommendations prioritize maintaining this law to ensure that ultimately virtual education remains student-centered. Otherwise, immediate and long-term changes are necessary to better align FLVS with serving as a great partner to the entire Florida education family, including statutory and business practice changes to improve FLVS' course offerings to match students' needs and partner better with Florida's school districts.

- Maintain national best practice model of funding based on students' successful course completions – *for all virtual education providers in Florida*. [current law]
- Reduce school district franchise fees to a cost recovery model, saving school districts nearly \$2.2 million annually. [board policy]
- Phase out FLVS' portion of the State Funded Discretionary Contribution in FDOE's budget, allowing nearly **\$20.2 million to be redirected** to the Base Student Allocation (BSA) for all school districts. [legislation]
- Implement new financial efficiencies to achieve a low reserve balance. [completed and funding was used to support pay raises for teachers]
- Reduce unnecessary contracts, senior leadership positions, bloated salaries and consolidate duties. [completed]
- Redirect excess funds to increase teacher salaries. [completed]
- Eliminate the virtual education contribution in the FEFP, beginning in the 2021-2022 school year, through significant development and expanded offering of advanced curriculum and industry certification courses. [CEO decision or legislation]
- Reference Strategy 7: Expand FLVS Global's services outside Florida to increase the return on investment – Global's revenues that are reinvested – that benefits curriculum and course development for Florida students. [CEO decision]



# Strategy 5

## Accessibility

STRATEGY: CREATE A FREE RESOURCE LIBRARY FOR TEACHER PROFESSIONAL DEVELOPMENT AND STUDENTS, BEYOND THOSE FLVS SERVES.

FLVS has the opportunity to make FLVS the most accessible high quality education in Florida, even beyond the students who FLVS serves. Unlike traditional schools and districts that have physical limitations, FLVS can position itself to be a philanthropic leader amongst the entire Florida education family, implementing “give back” components into every aspect of the school.

- Create a teacher professional development best practices digital library that is accessible to all teachers statewide. [CEO decision]
- Help build the brand of great teachers in Florida – both FLVS’ teachers and teachers from traditional school districts – through the digital library and other online marketing, to help elevate the profession and give Floridians visible and celebrated examples of Florida’s world class teachers. [CEO decision]
- Create a student resource digital library that is accessible to all students statewide, helping with skill building, homework help, test preparation and review, tutoring and more. [CEO decision]
- Focus professional development and resources to provide targeted supports for the following: [CEO decision]
  - Subgroups of students who are falling behind their peers.
  - Students who are in danger of not reading on grade level by grade three.
  - Students who are in danger of not achieving proficiency in math by grade eight.
  - Students who intend to matriculate to postsecondary education who will likely need remediation or even fall short of college entrance requirements.



# Strategy 6

## Student Demand

STRATEGY: EVALUATE COURSE OFFERINGS ANNUALLY AND EXPLORE OPPORTUNITIES FOR FLVS TO FILL GAPS IN WORKFORCE EDUCATION; ALTERNATIVE, JUVENILE JUSTICE AND CORRECTIONS EDUCATION; AND EDUCATION FOR ADULTS SEEKING HIGH SCHOOL DIPLOMAS.

FLVS' mission as outlined in s. 1002.37 is outdated and not reflective of both the full array of students the school currently serves and the expanding opportunity to fill unique educational needs in traditional K-12 and beyond.

- Update FLVS' mission in [s. 1002.37](#), F.S., to embrace both the student constituencies already served by FLVS and service to all students in Florida, including career and technical education, alternative and juvenile justice education, graduation assistance, English Language Learners, gifted education and students with other unique learning needs and challenges. [[legislation](#)]

In January 2019, Governor DeSantis released Executive Order 19-31 that charts a course for Florida to become #1 in the nation for workforce education by 2030, as well as ensuring that Florida students are prepared to fill the high-demand, high-wage jobs of today and the future. FLVS can support these goals by helping students pursue viable career pathways.

- Tailor grades 6-12 career and technical education (CTE) offerings to programs (and associated courses) that align with the Governor's Executive Order 19-31 and assist to identify programs, i.e., information technology, that align well with online instructional delivery. [[CEO decision](#)]
- Provide technical assistance on the various pathways for teacher certification. [[CEO decision](#)]
- Partner with industry providers and major job creators to achieve these goals. [[CEO decision](#)]
- Explore other means by which FLVS can cover the gaps in CTE for apprenticeships, blended learning, dual enrollment, etc., and partner with FDOE, the Florida Department of Economic Opportunity (DEO), CareerSource Florida and school districts to identify these opportunities. [[CEO decision](#)]



# Strategy 6

## Student Demand (cont.)

STRATEGY: EVALUATE COURSE OFFERINGS ANNUALLY AND EXPLORE OPPORTUNITIES FOR FLVS TO FILL GAPS IN WORKFORCE EDUCATION; ALTERNATIVE, JUVENILE JUSTICE AND CORRECTIONS EDUCATION; AND EDUCATION FOR ADULTS SEEKING HIGH SCHOOL DIPLOMAS.

Approximately 12% of Florida's working age population, aged 25 to 64, does not have a high school diploma or equivalent. For these adults, the first step to providing access to sustainable employment and postsecondary education opportunities is the attainment of a high school diploma. FLVS can increase access to virtual education courses for adults who need a high school diploma.

- Develop a framework for FLVS' value-add through research of adult diploma and GED programs offered already. [CEO decision]
- Create a pilot project for FLVS to recruit and enroll 30 students in an adult high school diploma program. [CEO decision]
- Recruit students who have recently exited K-12, without a diploma and do not currently have access to an adult high school program in their local community. [CEO decision]
- Seek out a partnership with an experienced provider of adult diploma services to collaborate with and build out a comprehensive service delivery model. [CEO decision]
- Work with FDOE to identify federal funding sources to pay for adult diploma services. [CEO decision]

Similarly, FLVS can serve as an enhancement to educational services for students in alternative schools, juvenile and correctional programs. For some of FLVS' current students, an online education already serves as an alternative and calming setting for students with behavioral issues. FLVS offers a means to bring unique courses, including CTE, to students who may otherwise be limited in juvenile and correctional education programs.

- Develop a framework for FLVS' value-add through research and outreach to school districts, alternative schools, FDOE, the Florida Department of Juvenile Justice and the Florida Department of Corrections. [CEO decision]



# Strategy 7

## FLVS Global

STRATEGY: EXPAND OUT-OF-STATE SERVICES THAT INCREASE FLVS REVENUES TO SUPPORT COURSE DEVELOPMENT AND ENHANCEMENT FOR FLORIDA STUDENTS.

Every Florida student has access to multiple virtual education opportunities, including FLVS. However, there are students in other states and U.S. territories who do not, due to either an insufficient or non-existent statewide virtual school. Giving them access to FLVS is both a benefit to those students as well as returning resources to Florida to serve Florida's virtual education students.

- Initiate a comprehensive analysis of all U.S. states and territories, in collaboration with FDOE, to determine opportunities to expand FLVS' reach to students outside Florida. [CEO decision]
- Offer FLVS' curriculum that would be aligned through a crosswalk with other states' standards; or
- Use the FLVS model, including curriculum and FLVS instructors who would then become certified in their state. [CEO decision]
- Increase FLVS Global's return on investment to Florida's students by returning greater revenues to Florida and reinvesting those dollars into curriculum and course development for Florida's students. [CEO decision]
- Allow FLVS to continue to operate at a cost that is less than 70% of traditional public schools, continuing a savings to Florida taxpayers. [CEO decision]



# Strategy 8

## Accountability

STRATEGY: PROVIDE PARENTS AND STUDENTS WITH BETTER AND MORE RELEVANT DATA ON ALL VIRTUAL PROVIDERS.

FLVS Performance Assessment by Ernst & Young, LLP, recommended that FLVS should continue to develop additional program and operational performance measures, consider comparing itself to other virtual schools as a way to identify potential organizational efficiencies, and supplement key performance indicator (KPI) measures that will track performance. The challenge is to develop meaningful measures that track performance among virtual education students receiving part-time instruction who do not attend a virtual provider full-time nor do they necessarily attend a virtual provider for the entire year.

- Create a virtual education accountability and transparency calculation based on the following nine (9) measures for students enrolled in part-time and full-time instruction, the first eight (8) of which mirror school grading and the federal Every Student Succeeds Act (ESSA), and number nine (9) which is related to the acceleration component used in the school grades calculation. [Commissioner decision]
  1. English Language Arts Achievement
  2. Mathematics Achievement
  3. Science Achievement
  4. Social Studies Achievement
  5. Learning gains in English Language Arts
  6. Learning gains in Mathematics
  7. Learning gains of the lowest 25% of students in English Language Arts
  8. Learning gains of the lowest 25% of students in Mathematics
  9. Advanced Placement (AP) Achievement
  
- Determine whether this calculation is purely for informational, transparency and reporting purposes or if the intent is to use for formal accountability purposes for virtual education providers. [if the latter, legislation then SBOE rule]
- Undertake rule-making by FDOE and the SBOE to collect data that would allow for additional data collection for virtual students who do not take courses captured by the measures above. [SBOE rule]



# Strategy 9

## Competition

STRATEGY: ALLOW FOR GREATER COMPETITION IN FLORIDA'S VIRTUAL EDUCATION SPACE, CREATING GREATER CRITICAL MASS FOR QUALITY.

The current delivery of and statutory framework for virtual education in Florida does not fully leverage the pressure to deliver high quality services that free market forces provide to other modes of education. In part, FLVS has a huge footprint on virtual education in Florida. Approximately 90% of Florida's virtual education students are served either directly by FLVS or indirectly by FLVS through a school district's franchise of FLVS. The remainder of virtual education students are served through district-created or contracted virtual instruction programs (VIPs), virtual charter schools or district-created or contracted online courses.

Additionally, there are competitive barriers to meeting virtual students where they tend to need services. Approximately 90% of Florida's virtual education students are only part-time virtual students. However, virtual charters cannot provide part-time virtual education under current law. Moreover, the statutory framework to gain approval for VIPs to contract with school districts is not tailored to virtual providers whose track record of success is entirely based on their work in other states.

- Remove application and approval barriers to new VIPs and online course providers who can demonstrate high quality work in other states. [legislation]
- Allow virtual charter schools to offer part-time instruction after they have already been approved for and providing full-time instruction for at least one school year. [legislation]
- Allow conditional approval of VIPs for two (2) years, rather than one (1) under current law, based on the provider's track record of success in other states. [legislation]
- Remove the outdated requirement that some districts must offer at least three options for part- and full-time virtual instruction. [legislation]
- Remove the requirement that FLVS market its services in Florida, as this is an anti-competitive requirement that the state market its own services in direct competition with the private sector. [board policy as a first step and legislation to build the policy to full scale]





# Conclusion

FLVS is well on its way to reasserting its reputation and focus on great outcomes for students and Florida's families. FLVS now also has the opportunity to position itself as a great return on investment for the entire Florida education family.

- Herein FDOE, in collaboration with FLVS, has taken EY's seven (7) general types of recommendations, put them into nine (9) actionable strategic initiatives with 69 different activities.
- 50 of those 69 activities (72%) are not reliant on legislation, and are at the discretion of FLVS' CEO, the Commissioner of Education, the SBOE or the SBOE acting in its current role as FLVS' board of trustees.
- Immediate action is critical on several of these initiatives, including cybersecurity, ethics and governance.
- Several of the additional recommendations embrace a vision of virtual education in Florida that seeks to serve a greater number of students' unique learning needs.
- The recommendations also seek to preserve the low cost and high return on investment model for virtual education that is working in Florida.
- Lastly, these recommendations seek to introduce greater free market principles to drive quality.



## **Appendix:**

Ernst & Young's  
Florida Virtual School  
Performance Assessment  
October 1, 2019







# Florida Virtual School

Performance assessment

October 1, 2019

# Table of contents

---

-  1 Executive summary
-  2 Programs and operations
-  3 Findings and recommendations
-  4 Appendices



Ernst & Young LLP  
210 East College Avenue  
Tallahassee, FL 32301

Tel: +1 850 404 5000  
ey.com

To the Chief Executive of Florida Virtual School, Inspector General of the Florida Department of Education and the Florida Board of Education:

Ernst & Young LLP (EY) assisted Florida Virtual School (FLVS) with the current state evaluation of its programs and operations using agreed criteria based on the statement of work dated July 24, 2019. EY has provided FLVS with weekly progress updates throughout this project and met periodically with FLVS leaders to review our results. EY prepared and delivered initial observations on September 5, 2019, and this final report of our assessment to FLVS and the Inspector General was delivered on October 1, 2019.

Our services are advisory in nature. EY performed an assessment under the consulting standards issued by the American Institute of Certified Public Accountants (AICPA). EY does not render an opinion, conclusion, or attestation in conformity with standards applicable to financial audits or performance audits under Government Auditing Standards (GAS). None of the services or any reports constitute any legal opinion or advice. We did not conduct a review to detect fraud or illegal acts and did not form conclusions as to FLVS' compliance with laws and regulations, including Florida legislative statutes. Our work has been limited in scope and time and we stress that more detailed procedures may reveal issues that this engagement has not.

This report is confidential and is intended solely for the information of, and use by, FLVS (i.e., the key persons assigned to the task order as specified in the statement of work) and is not intended to and should not be used by anyone other than these specified individuals. EY therefore assumes no responsibility to any user of the report other than these key persons. Any other persons who choose to rely on our report do so entirely at their own risk. This report should not be released to any third party without prior written consent from Ernst & Young LLP.

We have valued the opportunity to work with FLVS and sincerely appreciate the cooperation and assistance provided to us during this engagement.

# Executive summary

---

Florida Virtual School (FLVS) was founded in 1997 as the first statewide internet-based public high school in the United States. In 2000, FLVS was established as an independent educational entity by the Florida Legislature. Recognized as its own district within the state, FLVS provides online instruction to Florida students from kindergarten to 12th grade. FLVS is part of the Florida public education system and serves students in all 67 Florida districts. FLVS also serves students, schools and districts around the globe through tuition-based instruction, curriculum provision and training. As a public school, its funding is tied directly to student performance.

When founded in 1997, FLVS consisted of six teachers, four support staff, 77 enrollments and six courses, and the use of online education tools was still new for high schoolers. Today, FLVS employs more than 2,200 support staff and Florida certified instructors, serves more than 200,000 students and offers more than 180 courses through three distinct instructional programs: FLVS Flex (part time), FLVS Full Time and FLVS Global School (out-of-state programs). In 2017-18, FLVS recorded more than 492,000 semester completions with more than 4.1 million semester completions since inception. FLVS students have outperformed state averages on end-of-course (EOC) exams and on Advanced Placement exams, and FLVS now represents approximately 5% of the high school semesters completed in the state of Florida.

During FY 2017-18, a data breach of certain FLVS systems was discovered, which exposed the personal information of approximately 368,000 students and 1,500 teachers. Additionally, multiple employee complaints surfaced relating to the conduct of FLVS's former General Counsel. As a result, FLVS had independent audits conducted into the IT/cybersecurity and procurement processes and ordered an investigation into the conduct of the former General Counsel.

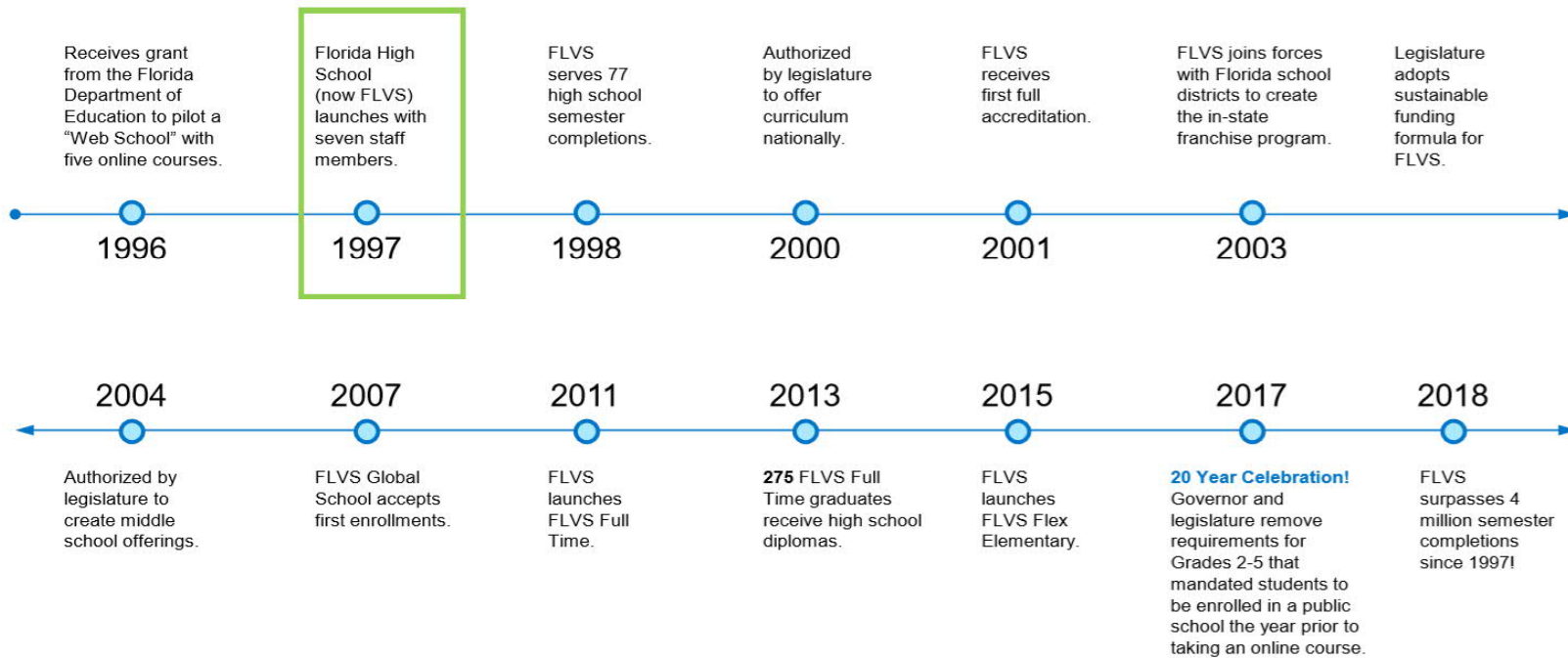
In June 2019, Senate Bill 2502 passed, which required the dissolution of the current FLVS Board of Trustees and appointed the State Board of Education (BOE) to act in this capacity for a period of one year pursuant to Statute 1002.37. The BOE appointed an executive director to competitively award a contract for an independent third-party consulting firm to perform a performance assessment. The oversight of the assessment falls under the Office of the Inspector General (OIG). In August 2019, the BOE engaged Ernst & Young LLP (EY) to conduct said assessment.

The newly appointed FLVS executive leadership recognizes opportunities exist to create a more robust organizational governance structure, change and enterprise risk management (ERM) program, and internal control framework to mitigate risks that have the potential to be detrimental to FLVS' mission and goals. This report details our findings and recommendations related to our review of FLVS' programs and operations, organizational governance, risk assessment and internal control processes, compliance with appropriate rules and regulations, and corrective actions taken by FLVS in response to other audits and external investigations.

Source: "FLVS Legislative Report" by FLVS, 2017-18

# Executive summary (cont.)

## FLVS Historical Highlights



Statute(s): 1002.37 The Florida Virtual School

Source: Florida Virtual School

# Programs and operations



# Online education overview

---

Online learning in many forms is growing rapidly across the United States. Some students take a single online course while attending a physical school. Other students attend schools that split time between online and face-to-face content and instruction throughout the school day. They may rotate between learning labs with laptops and classrooms that look and feel much like a traditional school. Still other students attend schools that blend online and face-to-face instruction in all classes throughout the day. Although these students attend a physical school, it looks nothing like a traditional school building. Some students attend schools that don't have a physical building at all. These full-time online schools still have highly qualified teachers and curriculum, and still foster interaction between students and teachers, but students typically access courses from home.

The stories of individual students demonstrate why online schools are the best option for some students who require a different learning environment, schedule flexibility or some other element different from what is provided by traditional schools. For example:

- Student A, is a teen who had dropped out of a traditional school to get a job in order to help with her family's financial struggles. She enrolled in an online school that she could attend to more easily balance school and work responsibilities, and she is now on track to graduate.
- Student B was not performing well because he was not challenged in school, even though he had been in gifted classes. In the personalized learning environment of his online school, his teachers have been able to differentiate instruction for him and challenge him to do well. He has responded and is now proficient in math and reading.
- Student C has recently developed serious health problems, and his parents worry about sending him to a traditional school until he learns to better manage these health issues. Until that happens, he is attending an online school so that he can maintain his education without attending his traditional school.
- Student D needs a few credits to graduate, and the brick-and-mortar school she attends does not offer a class option that fits in her already busy senior schedule and extracurricular activities. She enrolled for an online class to take in addition with her traditional live classroom courses and will be able to graduate with her peers.

Each of these examples of online or blended learning environments is an important component of the overall field of expanding learning opportunities in the 21st century. One of the reasons that online learning is expanding so rapidly is that teachers can personalize learning, using more engaging content and technology tools to better address the needs of each student in a way that is very difficult for a traditional environment to match. In the same manner that different elements of an online course are best suited to different students, varied types of online learning are best suited to individual students as well. All of the models of education – traditional, full-time online, full-time on-site or a blend – are appropriate for some students.

Source: "Measuring Quality from Inputs to Outcomes" by The International Association for K-12 Online Learning (INACOL), October 2012

# State virtual schools overview

---

State virtual schools are an important part of the online learning landscape, collectively serving more than 420,000 students and approaching one million supplemental online course enrollments in 23 states during the 2016–17 fiscal year. They are among the largest and most recognized providers of online courses, instruction, technology infrastructure, professional development and other online learning-related services to schools and districts across the states in which they operate. State virtual schools are structured and managed in a variety of ways:

- State virtual schools are entities created by legislation or by state-level agencies, usually funded partially or entirely by a state appropriation, course fees and/or grants.
- Most state virtual schools are not “schools” as defined by the National Center for Education Statistics (with FLVS being an exception), as they do not grant diplomas and are not responsible for many of the functions performed by schools (such as administration of state assessments, state and federal reporting, counseling, etc.). Instead, they supply online courses and related services to schools. Students are usually enrolled with district approval, with the exception of states with course access policies. Even then, the school or district plays an integral role in counseling, mentoring and enrolling students in the state virtual school.
- State virtual schools may be administered by a state education agency, or may be separate nonprofit organizations, charter schools, higher education institutions or regional service agencies contracted by the state education agency.
- State virtual school courses and services are generally funded totally or in part by legislative line items. Districts may be required to pay all or part of the cost of the courses in which their students enroll. In some cases, courses are provided at no cost to schools and districts, or for nominal fees to help cover costs. State virtual schools may receive federal or private foundation grants, but the bulk of state virtual school funding comes from the state allocation and/or course fees based on course enrollments.

Although state virtual schools have different organizational and governance structures, most share similar characteristics. They provide teacher-led online courses, have administrative staff, enroll students, hire and train teachers, and maintain technology infrastructure to deliver and support online courses. They may create their own online course content, license content from vendors, use open educational resources or combine content from various sources.

Source: “Snapshot 2019: A Review of K-12 Online, Blended, and Digital Learning” by the Digital Learning Collaborative, April 2019

# Florida Virtual School (FLVS)

---

Some of the defining characteristics that set FLVS apart from other state virtual schools include the following:

- FLVS was a pioneer as Florida's first internet-based public school, as well as the nation's first statewide online high school to develop its own online course content.
- FLVS was a first mover in the market and was highly differentiated in developing a unique virtual learning model.
- With two decades of experience, FLVS holds a unique position in Florida and nationally in online education.
- FLVS courses meet the Florida Standards, and all public institutions within Florida must provide Florida families the option to choose FLVS for its courses. (Families and schools have other options and are not limited to the services that FLVS provides.)
- FLVS is recognized as a leader in content development for online high school courses in the state of Florida. To that end, FLVS has developed some level of collaborative efforts with all the school districts in Florida. These efforts have typically extended beyond course content and encompass the entire learning process in partnership with school guidance counselors, administrators, students, parents and instructors.

FLVS currently serves kindergarten through the 12th grade for a variety of students, including those coming from public, private and homeschool environments. Florida is one of the few states to provide specific programs for homeschool students. FLVS offers more than 200 courses for part-time and full-time students. FLVS delivers online curriculum in all 67 Florida school districts and captures approximately 5% of the high school courses provided in the state of Florida.

Source: "Strategic Plan 2019-2023" report by FLVS, November 2018.

# The competitive landscape for FLVS

---

In March of 2017, the previous executive leadership team conducted an in-depth competitive analysis which detailed the primary competitors of FLVS. This included an analysis of key statistics, financial performance, core organizational competencies, customer/stakeholder satisfaction reviews, and growth and innovation metrics to provide FLVS with a balanced scorecard approach to analyzing their competitors. However, it should be noted that the newly appointed executive leadership team is in the process of reviewing and updating the Strategic Plan which contains this analysis.

Competitors for core programs are defined as suppliers who provide an equivalent course to students in the K-12 grade range in the state of Florida. A survey of 8,800 FLVS students in 2016 confirmed that the vast majority (more than 85%) of FLVS students had taken online courses from FLVS alone. No single competitor of FLVS represented a majority of non-FLVS courses taken. However, one course, Driver's Education (also offered by FLVS), stood out as one of the most popular courses taken outside of the FLVS program.

Relevant and recent strategic moves by key competitors include the following:

- A South Florida School District, a key strategic partner of FLVS, partnered with a private company competitor and began co-generating marketing videos with them. The competitor also entered into a contractual agreement with a Central Florida School District and created a portal for them to host online courses, which replaced the FLVS franchise model for that district. In addition, the competitor began to market "safety" as a key virtual education pillar in timely response to news of school shootings.
- Another private company online education provider began actively pursuing the credit-recovery market, which had previously been a request from schools to FLVS, but one which FLVS decided not to pursue based on the funding model of how revenue is recognized.
- A third private company competitor has experienced a 257% overall growth over the past six years, as well as an 80% increase in students (this competitor was previously a partner of FLVS to serve students in grades K-8).

In response, FLVS conducted "Voice of the Customer" activities that involved the process of gathering and understanding customer expectations, preferences and aversions through focus groups, individual interviews, surveys and other methods. The purpose of analyzing customer needs is to extract and organize the priorities of customers and integrate them back into how the organization allocates resources.

Outreach efforts were conducted with the top districts and provided key insights such as the following:

- FLVS is chosen primarily due to the need to satisfy the online requirement for students
- FLVS is preferred over competition because FLVS is viewed as an education partner
- FLVS is currently viewed as a competitor to the districts and the schools due to how funding is allocated

Source: "Strategic Plan 2019-2023" report by FLVS, November 2018.

# The FLVS value proposition and lines of business

---

The FLVS value proposition is primarily based on how it partners with the Florida Department of Education. FLVS is the only state organization to offer online education to brick-and-mortar schools; competitors that are privately owned.

In the current 2019-2023 Strategic Plan created by previous FLVS leadership, FLVS described in the Plan that the school can further strengthen its value proposition by tying course development and curriculum to state exam standards, which can help FLVS serve schools better through improving their school rating. Further, as FLVS continues to improve internal operating efficiencies and how it delivers and implements curriculum, the overall cost of delivering online courses should continue to decrease, and these savings could be passed on to Florida schools. Although FLVS is a school district, the channels of delivering online education should be thought of as revenue-generating lines of business. Accordingly, there are five lines of business (LOBs) (three in state and two out of state) in the FLVS portfolio:

## In-state LOBs

1. Flex – Allows students to enroll on a per-course basis to supplement current studies. Credits are applied to the transcript of a student’s local school.
2. Full-Time – Serves as a primary school of record, operating on a traditional 180-day school-year calendar. School districts and virtual charter schools may also contract with FLVS to provide the FLVS FT program to district public school students.
3. Franchise – Provides content licensing for schools to use the curriculum, virtual instruction and digital labs of FLVS.

## Out-of-state LOBs

4. Global Services – Offers packaged FLVS courses for use out of state. Schools use their own LMS and instruction, and this is a non-FLVS supported environment.
5. Global School – Offers a full suite of instruction outside the state of Florida.

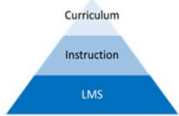
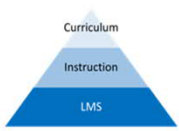
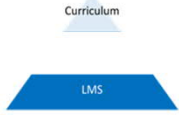
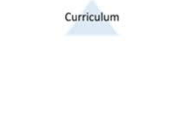
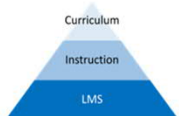
FLVS operates each of these lines of business based on three primary organizational resources, which are considered key:

- Learning Management System (LMS) – An LMS is a software application that aids in the administration, documentation, tracking, reporting and delivery of educational courses or training programs.
- Instruction – FLVS offers custom instruction from certified instructors for the courses that it offers. This is considered to be a differentiator for FLVS as an organization.
- Curriculum – FLVS designs its own curriculum based on leading practices and key learning objectives for students. This is considered to be a key differentiator for FLVS and is strategically important with respect to achieving objectives for the state.

Source: “Strategic Plan 2019-2023” report by FLVS, November 2018.

# The FLVS value proposition and lines of business (cont.)

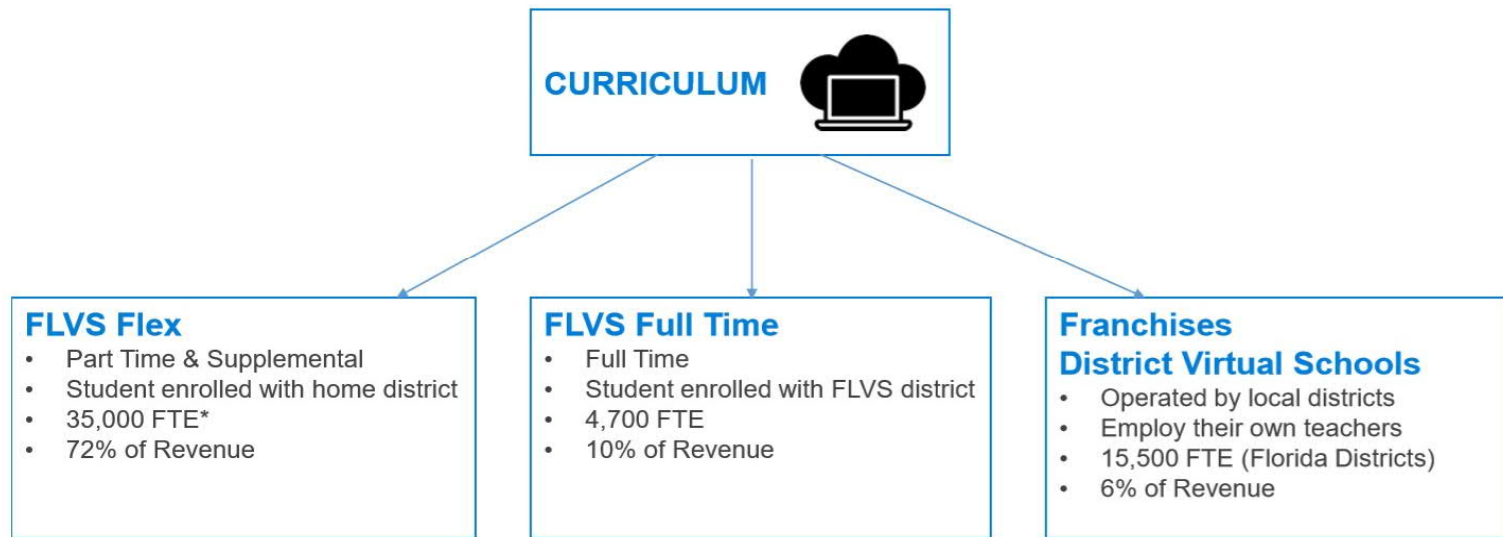
## FLVS lines of business (LOBs)

LOB	Market	Key Resources Used	Description
Flex	Florida		Allows students to enroll on a per-course basis to supplement current studies. Credits are applied to the transcript of a student's local school.
Full-Time	Florida		Serves as a primary school of record, operating on a traditional 180-day school-year calendar. School districts and virtual charter schools may also contract with Florida Virtual School to provide the FLVS FT program to district public school students.
Franchise	Florida		Provides content licensing for schools to use the curriculum, virtual instruction, and digital labs of FLVS.
Global Services	Other States		Offers packaged FLVS courses for use out of state. Schools use their own LMS and instruction, and this is a non-FLVS supported environment.
Global School	Other States		Offers full-suite of instruction outside of the state of Florida.

Source: "Strategic Plan 2019-2023" report by FLVS, November 2018.

# FLVS in-state programs and revenue generation

## Florida Virtual School is a **District**

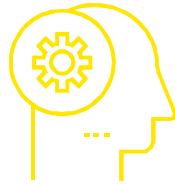


\*Approximately equates to 210,000 part-time students who completed 420,000 courses in 2018-19.

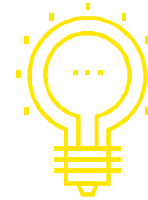
Source: Florida Virtual School

# FLVS program and operational performance measures

- ▶ FLVS students have achieved 4.1 million semester completions since inception in 1997

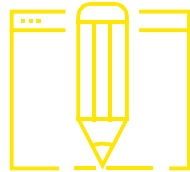


- ▶ 492,507 semester completions in 2017-2018



- ▶ 207,367 students served in 2017-2018

- ▶ 287 Digital Learning Labs in 2017-2018



- ▶ 168,807 FLVS Florida District Franchises semester completions in 2017-2018



- ▶ 5,196 Global School semester completions in 2017-2018

## FLVS Digital Learning Labs in Florida

The FLVS digital and blended learning models allow districts to introduce new courses and address challenges such as teacher shortages, class size reduction, scheduling conflicts and grade forgiveness.

## FLVS Florida District Franchises

Through Florida District Franchises, districts have access to FLVS elementary, middle and high school courses and technology systems and receive student support and teacher training while still using their own teachers to teach the courses. In 2017-2018, 65 Florida districts powered their district virtual schools with FLVS.

## FLVS Global School

FLVS Global School serves middle and high school students around the nation and world through tuition-based instruction. Public, private and homeschool students can choose from more than 118 courses, including electives, honors, Advanced Placement and NCAA-approved core. FLVS Global School has served students in all 50 states and in more than 65 countries.

Source: "FLVS Legislative Report" by FLVS, 2017-18



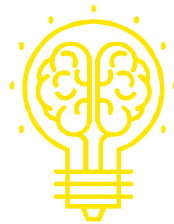
# FLVS program and operational performance measures (cont.)

## AP scores

Based on May 2018 AP exams, FLVS students outperformed state overall averages by 11% in comparing the 15 AP courses offered by FLVS and scored above those state qualifying AP averages in 11 of the 15 courses. FLVS students performed above the national overall average by 4% in comparing the 15 AP courses offered by FLVS.

11%

higher AP scores than the state average

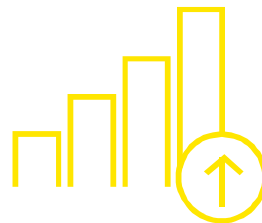


11%

higher AP scores than the national average

20%

higher Full Time Biology EOC scores than the state average



12%

higher Flex Biology EOC scores than the state average

▶ Algebra 1*	▶ Biology 1*	▶ Civics *	▶ Geometry*	▶ U.S. History*
FLVS Flex 77%	FLVS Flex 77%	FLVS Flex 78%	FLVS Flex 63%	FLVS Flex 79%
FLVS Full Time 70%	FLVS Full Time 85%	FLVS Full Time 81%	FLVS Full Time 69%	FLVS Full Time 85%
State 63%	State 65%	State 71%	State 57%	State 68%

\*Data represents first-time test takers. Percentage of students scoring Level 3 or above (Proficient)

Source: "FLVS Legislative Report" by FLVS, 2017-18.

# FLVS program and operational performance measures (cont.)

---

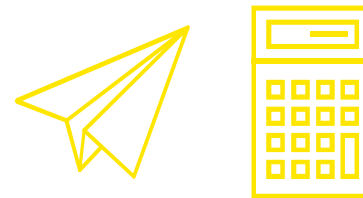
Education through FLVS offers significant savings to the state of Florida when compared with brick-and mortar public schools.

FLVS funding per full-time equivalent (FTE) and efficiencies

FLVS Flex and FLVS Full Time schools are funded through the Florida Education Finance Program (FEFP), just like the other brick-and-mortar public schools. However, unlike other public schools that are funded based on student enrollment, FLVS Flex and FLVS Full Time schools are funded only for courses that are successfully completed (and not per enrollment or seat time).

## \$2,744.55

Savings for the state per virtual student  
2017-2018



FLVS Full Time and Flex Schools 2017-2018

21,405.69 public FTE enrollment

\$5,248.31 state cost per FTE\*

\$5,248.31 total state cost per FTE

Brick-and-mortar schools 2017-2018

2,559,007.85 public FTE enrollment

\$6,962.43 state cost per FTE\*\*

\$1,030.43 K-12 capital dollars per FTE

\$7,992.86 total state cost per FTE

\*In 2013, the FEFP formula was modified such that while students may earn more than one FTE per scholastic year, the providers of the services (school districts, lab schools, and FLVS) are limited to one FTE on a shared basis. FLVS saves the state an additional 12.4% for successful completions due to the effects of the 1.0 FTE sharing formula, resulting in actual funding per 12 successful semester course completions of \$4,599.13.

\*\*Final calculation of FY 2017-18, FEFP.

Source: "FLVS Legislative Report" by FLVS, 2017-18.

# FLVS's value to the state

---



## Performance-based funding

FLVS is performance-based funded, receiving funding only when a student successfully completes a course, unlike traditional schools that are funded upon seat time.



## Operational and capital efficiencies

In the 2017–2018 school year, every semester course taken with FLVS saved the state of Florida \$143.03, amounting to more than \$58 million in savings for the school year.



## Solutions for class size challenges

Financial impact occurs when a new student enrolls in a school whose classes are already filled to the maximum. Hiring a new teacher for that one student is costly to the district and can be disruptive.



## Operational savings

Districts can utilize FLVS for courses with low student counts for a particular subject. For example, there may not be enough students interested in taking Advanced Placement Computer Science to warrant hiring a teacher, but schools can offer that opportunity to interested students through FLVS. The FLVS digital learning solutions allow districts to introduce new courses and address challenges such as scheduling conflicts, grade forgiveness, class-size and more.



## Saving students through state scholarship programs

FLVS has the unique ability to participate in choice programs across the state of Florida, allowing all students to have access to high-quality digital learning. FLVS serves students enrolled through the Hope Scholarship, the McKay Scholarship Program, Gardiner Scholarships and Florida Tax Credit Scholarships.

Source: "FLVS Legislative Report" by FLVS, 2017–18.

# Strategic plan and desired future state of FLVS

---

The 2019–2023 Strategic Plan outlines the goals that FLVS will pursue to enhance its current position in the online education market. This plan was created by previous FLVS leaders in collaboration with FLVS leaders and subject-matter resources, leveraging data analytics and scenario planning. This plan has been designed to guide the FLVS organization to achieve its strategic intent of becoming the valued solutions partner for education in the state of Florida. The overarching vision for FLVS in implementing this plan is to significantly impact the education ecosystem of the state of Florida. There are two main drivers for every school in the state. First, lower the cost of education. Second, improve student performance on statewide assessments that determine overall school grades. The newly appointed executive leadership team is in the process of reviewing the Strategic Plan.

The plan is configured in three phases to be implemented over a five-year period. Each phase builds on the prior phase. Phase 1 focuses on improving FLVS’s internal efficiencies, increasing excess revenue and improving student learning outcomes in significant ways. Phase 2 is designed to guide FLVS through opportunities to increase market share both in Florida and nationally in significant ways. Phase 3 returns to the theme of further improving student learning outcomes through FLVS innovation in ways that impact students, instructors and schools.

As a result of implementing this three-phase plan, FLVS hopes to significantly improve its position in the online market both in Florida and nationally. The shift in position will come through two components: one is a reduced cost of delivering a course completion; the other component will be the improved student outcomes that in turn improve school performance on standardized tests. These improvements will strengthen FLVS’s position to help reduce the cost of education, particularly in Florida, and help schools improve their ability to achieve higher grades on statewide assessments, which in turn improves the school’s ability to secure funds. Expanding market capture in Phase 2 will help FLVS in several ways. First, Global Services can bring leading practices from other states back to Florida to give FLVS further insights into ways to improve student learning outcomes. Second, the additional excess revenue will provide FLVS with additional financial resources to continue to invest in Florida students. Phase 3 is designed to build on the results of the first two phases. The objective is to improve student learning outcomes, improve instructor success and efficiency, and improve the success of school administrators who partner with FLVS.

Source: “Strategic Plan 2019–2023” report by FLVS, November 2018

# Findings and recommendations

# Programs and operations

Current state	Recommendations
<p>Based on our review of the Legislative Report, Strategic Plan, supporting documentation and other independent research (see Appendix 1), as well as conducting multiple interviews and meetings with FLVS senior management and staff, we noted that FLVS currently assesses the effectiveness and efficiency of its programs and operations by following current state statutes. This is accomplished by creating goals, objectives and performance measures such as course completions, students served, test scores, cost savings and other metrics that are monitored throughout the year and compared to brick-and-mortar school districts (refer to measures on previous pages and in Appendices 6-13). These are reported in the annual FLVS Legislative Reports (see Appendix 1) and are provided to the Board of Trustees and the Department of Education to demonstrate how FLVS is achieving its mission and goals as outlined in the statutes.</p> <p>In addition, newly appointed FLVS executive leadership is in the process of reviewing, updating, and implementing the 2019-2023 Strategic Plan (see Appendix 1) that outlines additional metrics, KPIs and other accountability measures. The goal of the plan is to strengthen the design and adequacy of FLVS's programs and operations as well as provide cost-effective alternative methods of providing and enhancing virtual education services and products.</p>	<p>FLVS should continue to develop additional program and operational performance measures. FLVS should consider comparing itself to other virtual schools as a way to identify potential organizational efficiencies. There have been several attempts by industry groups to collect, consolidate, organize and document virtual school data related to operational and program performance, but these attempts have been thwarted by missing or incomplete data as well as insufficient monitoring rules established by the industry groups. More research will need to be done as the online learning industry continues to grow and evolve.</p> <p>As online learning continues to grow, FLVS, with the support of the Department of Education (DOE), should supplement KPI measures that will track performance of FLVS.</p>

# Overall organizational governance structure

Current state	Recommendations
<p>The Board of Education currently acts as the FLVS Board of Trustees pursuant to the passage of Senate Bill 2502, which passed in July 2019. This bill relieved the previous FLVS Board of Trustees of its authority as a result of circumstances stemming from a data breach and misconduct of the former General Counsel. In addition, there has been turnover at the executive level of management, which is still being vetted and restructured.</p> <ul style="list-style-type: none"><li>▶ Roles and responsibilities regarding overall governance of FLVS are currently being formally defined and documented to best suit the needs of FLVS and its Board and to achieve the vision and mission of FLVS.</li><li>▶ During our interviews, the following areas were potential concerns:<ul style="list-style-type: none"><li>▶ Approval of policies and procedures and the need of the Board's involvement in day-to-day operations</li><li>▶ The volume of standard operating procedures (SOPs) is high (more than 1,000) and excessive; in some cases, the SOPs are outdated (refer to policies and SOPs observation on page 24)</li></ul></li></ul>	<p>The newly appointed FLVS executive leadership should continue to restructure and document an organizational governance framework. Refer to Appendix 3 for leading practices that can be considered when constructing the organizational structure.</p> <p>FLVS should be empowered to manage the day-to-day operational decisions that affect the organization as a whole (policies, non-executive employment decisions, etc. vs. changes in programs, funding, etc.).</p> <p>The Board should be involved with the overall oversight and governance of FLVS and less with the day to day operational decisions. The Department of Education should review the current language in Statute 1002.37 regarding the current responsibilities of the Board of Trustees.</p>

# Enterprise Risk Management (ERM)

---

Current state	Recommendations
<p>A comprehensive ERM program and governance structure is not in place to provide the foundations for designing, implementing, monitoring, reviewing and continually improving risk management throughout FLVS.</p>	<p>FLVS should develop and document an ERM program. This typically involves the process of identifying particular events or circumstances that may negatively affect the organization's objectives, assessing them in terms of likelihood and magnitude of impact, determining a response strategy and monitoring progress.</p> <p>Roles and responsibilities regarding overall governance of the ERM program should be formally defined and documented in a policy or procedure.</p> <p>FLVS should utilize a recognized risk management framework, such as the Committee of Sponsoring Organizations (COSO) Standards for Internal Control in the Federal Government (known as the Green Book) as it builds out its enterprise risk program. FLVS should document and communicate the risk assessment process across all departments within the FLVS ERM policy. This will support the sustainability and consistency of the program over time. Refer to Appendix 5 for ERM program considerations and leading practices.</p>



# Internal audit function

---

Current state	Recommendations
<p>An adequate internal audit (IA) function is not in place to provide the foundations for designing, implementing, monitoring, reviewing and continually improving risk management and internal controls throughout FLVS. The internal audit function at FLVS currently consists of one Internal Audit Manager who reports to the Executive Director of Operations. The IA function does not communicate findings and recommendations to an audit committee (or similar authoritative body, i.e., the Board of Trustees). Refer to Appendix 4 for internal audit function framework and considerations.</p>	<p>FLVS should enhance its IA function. The mission and responsibilities of the IA function need to be documented in a formal charter.</p> <p>The IA function needs to report to the Board of Trustees to maintain independence and objectivity.</p> <p>The process of identifying and reporting on issues should be formalized to confirm that a consistent process is followed when reporting.</p> <p>The IA function needs to track the recommendations and the implementation of the recommendations by management.</p> <p>Any findings and recommendations also need to be communicated to the Audit Committee of the Board of Trustees.</p>

# Policies and Standard Operating Procedures (SOPs)

Current state	Recommendations
<p>FLVS currently has more than 100 policies. Based on recommendations from the investigations and audits performed (refer to pages 26 and 27 for more details) and the review of the Board policies and bylaws by outside counsel, certain policies were updated. In addition, EY noted that there are more than 1,000 SOPs. Some policies contain desktop procedures that should only be included in SOPs. The newly appointed executive leadership team is in the process of reviewing all policies and SOPs.</p>	<p>Once the newly appointed executive leadership team reviews the policies and bylaws, the newly appointed executive leadership team should present the policies to the Board of Trustees for approval. The Board of Trustees should consider timely approval of these policies as FLVS is still leveraging the old policies. Additionally, training should be given for the new and approved policies. Refer to page 21 for recommendation on responsibilities of the Board of Trustees and FLVS.</p> <p>The newly appointed FLVS executive leadership and management should consider consolidating and/or reducing the number to include relevant SOPs. The SOPs should be reviewed by management at least annually and/or when there is a process or system change. Additionally, consideration should be given to having a single point of contact to own the updates of the SOPs.</p>

# FLVS Foundation

Current state	Recommendations
<p>The future and structure of the FLVS Foundation is currently being evaluated. The newly appointed FLVS executive leadership has expressed concerns of potential conflict of interest in fact and/or appearance with some Foundation Board directors and their business relationships with FLVS.</p> <p>As of June 30, 2019, there were 10 members of the Board of Directors. Currently, there are 5 members – the other 5 members' terms expired on June 30, 2019. 4 members with expired terms were nominated by the Foundation Board of Directors for reappointment to another two-year term. These new terms have not been confirmed by the Board of Trustees. In addition, there is currently no Executive Director to manage the day-to-day affairs of the Foundation.</p>	<p>Through interviews and review of the Foundation Board bylaws, there does not appear to be any indications of conflict of interest. However, given the recent diminished public trust in FLVS, consideration should be given to selecting individuals that do not have business relationships or the appearance of a business relationship with FLVS.</p> <p>The Foundation should confirm its mission and goals, and, depending on the overall direction, the Foundation should be adequately staffed and include someone to manage the day-to-day activities of the Foundation.</p> <p>The FLVS Foundation bylaws state that the FLVS Board of Trustees has the authority to appoint or remove the Foundation Board of Directors. Florida Statute 1001.453, Section (3), states that the Board of Directors shall be approved by the district school board, which is the FLVS Board of Trustees. The current Foundation Board of Directors should be evaluated and a decision made on whether to remove or reappoint the current directors or appoint and approve new directors. In appointing new directors, the Foundation Board of Directors should include a member of the FLVS Board of Trustees, as noted in the Foundation bylaws.</p>

# Procurement audit, statute audit and general counsel investigation

Current state	Recommendations
<p>The procurement audit, the statute audit and the General Counsel (GC) investigations were performed in 2018. EY obtained and reviewed the documentation of the procurement audit, General Counsel investigation and the statute audit. We also discussed the procurement audit with the Procurement Director, the General Counsel investigation with the Executive Director of Operations and the statute audit with the Internal Audit Manager and the Executive Director of Operations. We discussed the recommendations in the reports and noted that the remediations based on the findings have been performed by FLVS with the exception of the following:</p> <p>Statute audit: FLVS was found to be in compliance with most sections of Florida Statute 1002.37 with the exception of the following:</p> <ul style="list-style-type: none"> <li>▶ Section 1(c) – To ensure students are informed of the opportunities offered by the Florida Virtual School, the commissioner shall provide the board of trustees of the Florida Virtual School access to the records of public school students in a format prescribed by the board of trustees.</li> </ul>	<p>EY reviewed Florida Statute 1002.37, Section 1(c), as well as other documentation to support the statute’s audit findings and recommendations. When requested, the Education Commissioner should provide access to the relevant public school students’ records in a format prescribed by the FLVS Board of Trustees.</p> <p>We also reviewed and inspected Florida Statute Section 2. For FLVS to remain compliant with this statute, the Governor should appoint seven Board of Trustee members. At the time of the statute audit, there were five members of the Board of Trustees. Currently, the six State Board of Education members serve as the FLVS Board of Trustees.</p>

# Procurement audit, statute audit and general counsel investigation (cont.)

Current state	Recommendations
<p>▶ Section 2 – The Florida Virtual School shall be governed by a board of trustees comprised of seven members appointed by the Governor to 4-year staggered terms. The board of trustees shall be a public agency entitled to sovereign immunity pursuant to s. 768.28, and board members shall be public officers who shall bear fiduciary responsibility for the Florida Virtual School.</p> <p>Procurement audit and the GC investigation: FLVS has implemented the majority of the corrective actions noted in the procurement audit and the GC investigation. We noted in the procurement audit and the GC investigation that there is a need for a revamp of the policies and SOPs at FLVS.</p> <p>The findings and recommendations included in the procurement audit report dated December 2018, the statute audit report dated September 2018 and the GC investigation report dated September 2018, along with the underlying procedures, were performed and reviewed by personnel other than EY and, as such, we do not express an opinion or any form of assurance.</p>	<p>For the recommendation on policies and procedures, refer to the “Policies and SOPs” section on page 24.</p>

# Vendor management









---

Current state	Recommendations
<p>FLVS has a number of IT applications that are contracted out to SaaS providers. Currently, performance is measured by the IT program manager and is reported to the Director of Procurement when there is an issue with performance or a breach of contract. There is not a formal vendor management framework used to monitor such vendors. In addition, security is not consistently integrated with the vendor management function. For more information, refer to the FLVS Cybersecurity Assessment report.</p>	<p>FLVS should create a formalized IT vendor risk management program with a robust description of the SaaS vendor management process to mitigate risk. The document should include how performance is measured and communicated to various stakeholders, including Procurement. Refer to Appendix 1 for an example of a third-party vendor management lifecycle.</p>

# Appendices

# Appendix 1: Report references

---

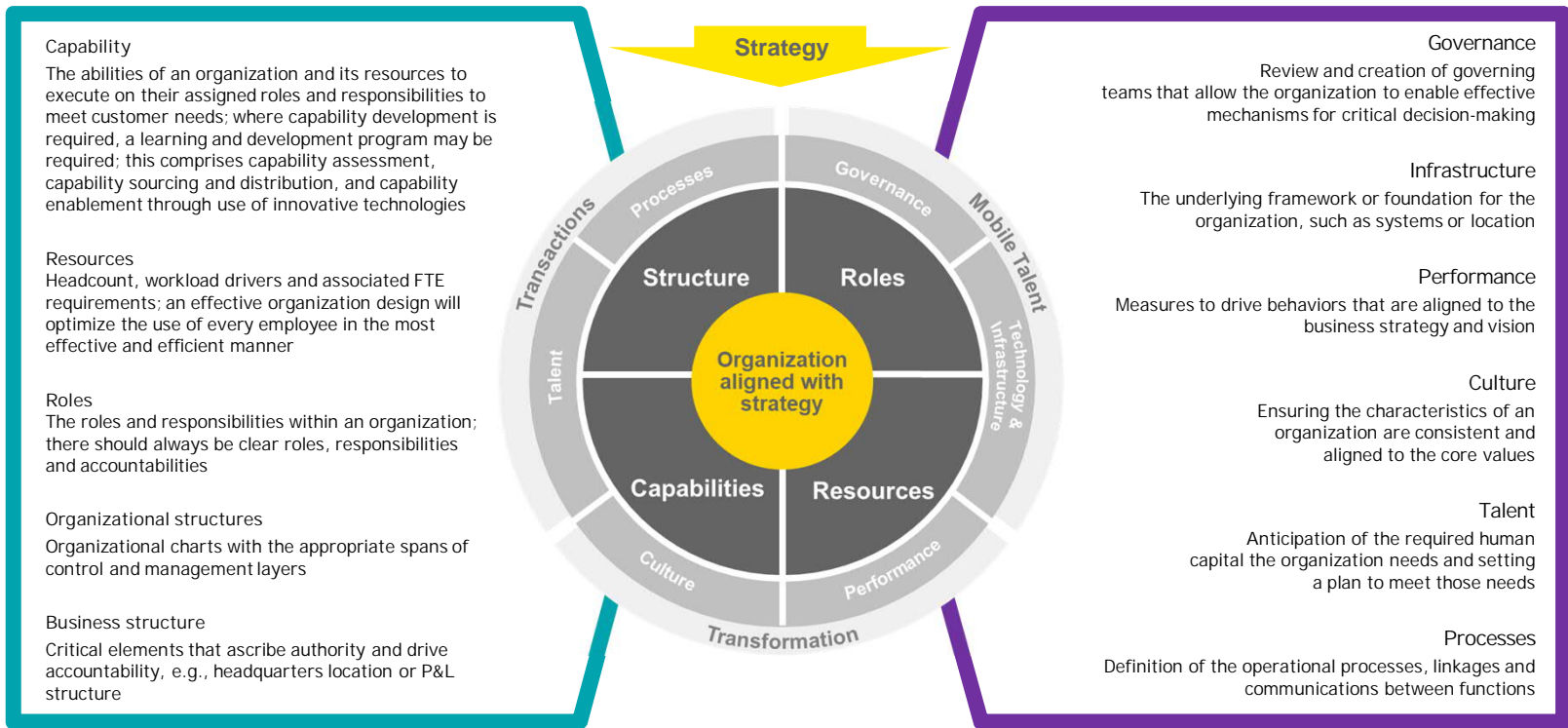
#	Report	Link
1	"Strategic Plan 2019-2023" report by FLVS, November 2018	
2	"FLVS Legislative Report" by FLVS, 2017-18	
3	"FLVS Flex Program Results" report by FLVS, Spring 2019	
4	"FLVS Full-Time Program Results" report by FLVS, Spring 2019	
5	"FLVS Flex Satisfaction Survey" report by FLVS, 2017-18	
6	Sample Vendor Management Lifecycle	
7	"Measuring Quality from Inputs to Outcomes" by iNACOL, October 2012	
8	"Snapshot 2019 A Review of K-12 Online, Blended, and Digital Learning" by the Digital Learning Collaborative, April 2019	



## Appendix 2: Websites and research reviewed

Website	Description
<a href="https://training.flvs.net/complianceTraining/policiesProcedures/01_01.html">https://training.flvs.net/complianceTraining/policiesProcedures/01_01.html</a>	Employee Compliance Training
<a href="https://flvs1-my.sharepoint.com/:w:/g/personal/cconidis_flvs_net/ETH1wDdRa15GqwK_2Aa9tDsB4ZnK_Vy6yC9MNPQeTtQTZ7g?e=IGA28T">https://flvs1-my.sharepoint.com/:w:/g/personal/cconidis_flvs_net/ETH1wDdRa15GqwK_2Aa9tDsB4ZnK_Vy6yC9MNPQeTtQTZ7g?e=IGA28T</a>	Employee Evaluation Training and Recordings
<a href="https://www.flvs.net/">https://www.flvs.net/</a>	Florida Virtual School Website
<a href="https://www.digitallearningcollab.com/">https://www.digitallearningcollab.com/</a>	Digital Learning Collaborative
<a href="https://go.boarddocs.com/fla/flvs/Board.nsf/files/BF2PTF6627EB/\$file/FLVS%20Board%20of%20Trustees%20Overview.pdf">https://go.boarddocs.com/fla/flvs/Board.nsf/files/BF2PTF6627EB/\$file/FLVS%20Board%20of%20Trustees%20Overview.pdf</a>	FLVS Overview for Board of Trustees
<a href="https://www.inacol.org/">https://www.inacol.org/</a>	The International Association for K-12 Online Learning (iNACOL)
<a href="https://www.advanc-ed.org/source/challenges-measuring-online-school-performance">https://www.advanc-ed.org/source/challenges-measuring-online-school-performance</a>	Challenges in Measuring Online School Performance
<a href="http://www.fldoe.org/accountability/accountability-reporting/school-grades/index.shtml/">http://www.fldoe.org/accountability/accountability-reporting/school-grades/index.shtml/</a>	Florida Department of Education School Accountability Reports

# Appendix 3: Organizational structure leading practices



# Appendix 3: Other organizational structure factors to consider

---

## CEO

- ▶ Is your strategy fully supported by the organizational capabilities and design you have in place?
- ▶ In what ways could your organizational design better support your purpose and drive better business performance?
- ▶ What disruption and competitor activity have you seen in the market, and are you confident that your organization is set up to respond?

## COO and/or CDO

- ▶ Do you have the capabilities and supporting structures in place to drive best business performance (e.g., customer service, cost efficiency)?
- ▶ Have capabilities that have been acquired been fully aligned so they can drive best business performance – including synergies?
- ▶ What strategic capabilities do you need to enhance, and which do you need to scale back or retire?

## CFO

- ▶ Where in the business are you looking to increase efficiency and productivity and reduce operational cost, and how could Organizational Design play a role?
- ▶ What confidence do you have in achieving the HR synergies that you expect from recent transactions?
- ▶ What opportunities do you see to improve clarity of accountability and speed of decision-making, particularly through formal governance?

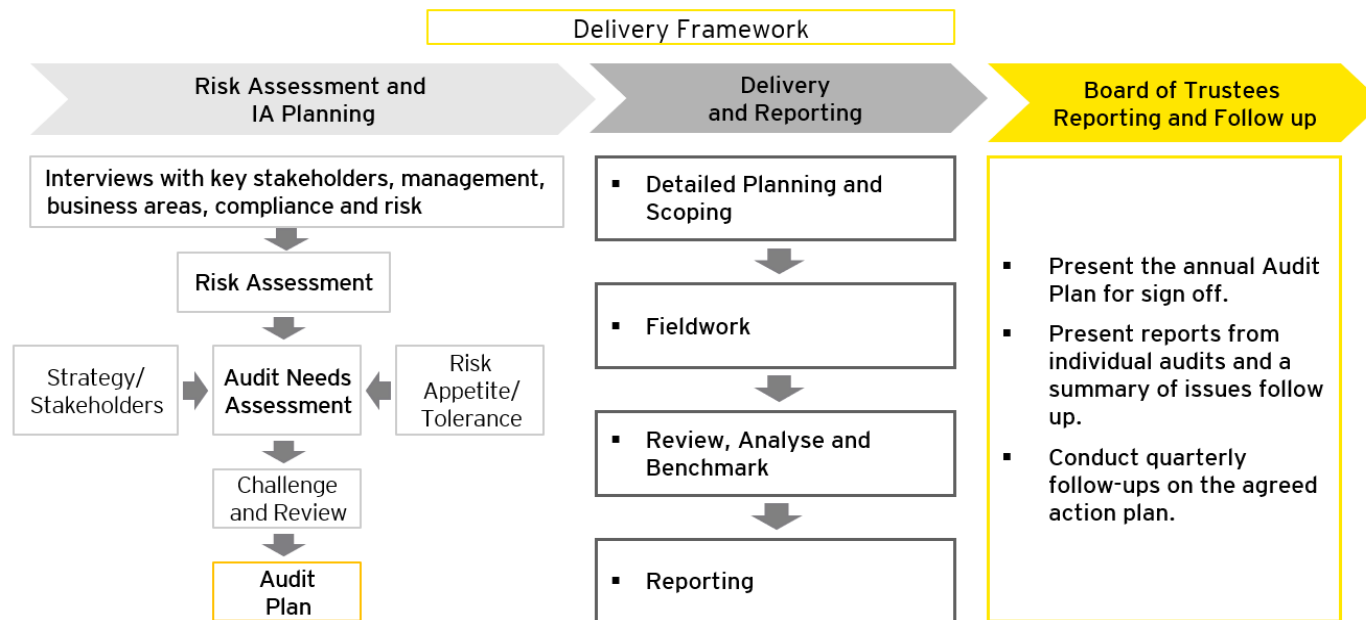
## Chief People Officer or Chief Human Resource Officer

- ▶ How well is your organizational structure aligned to support your purpose, culture and longer-term workforce capability development?
- ▶ Does the organizational structure allow your people to develop the capabilities you need to respond to disruption?
- ▶ Does HR have the right capabilities and capacity to drive through the synergies and wider integration of acquisitions?

# Appendix 4: Internal audit function framework considerations

An internal audit function in place can provide independent confirmation that an organization's risk management, governance and internal control processes are operating effectively.

The internal audit function should provide an unbiased and objective view. IA must be independent from the operations evaluated and report to the highest level in an organization. Typically, this is the board of directors, the board of trustees or the audit committee.



# Appendix 5: ERM and the three lines of defense

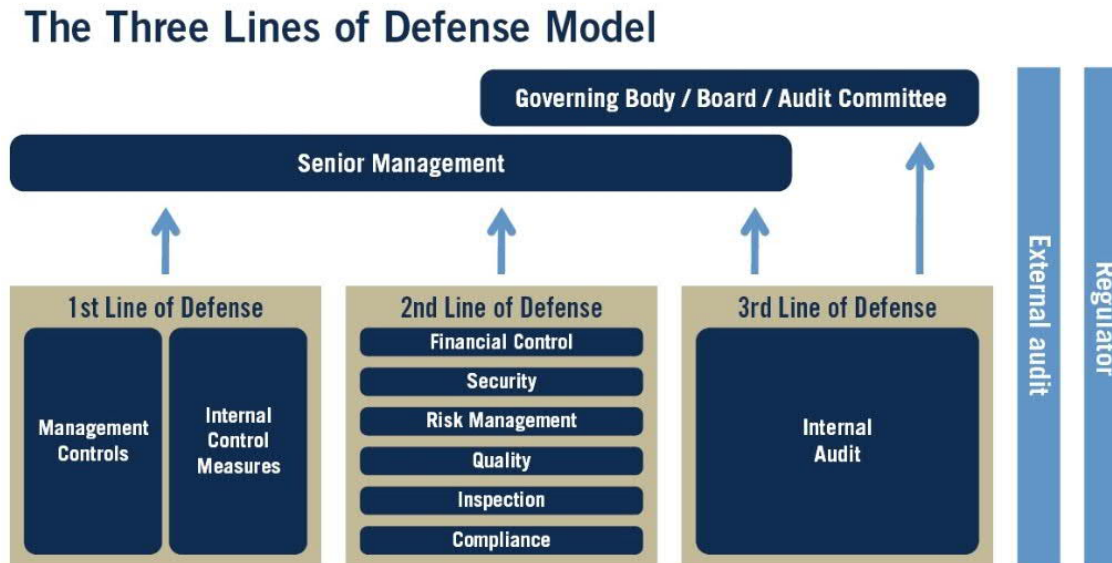
The three lines of defense model enhances understanding of enterprise risk management (ERM) and controls by clarifying roles and duties. Its underlying premise is that, under the oversight and direction of senior management and the board of trustees, three separate groups (or lines of defense) within the organization are necessary for effective management of risk and control. The groups and their responsibilities are:

**First line of defense – operational management:** This group owns and manages risk by executing front-end controls to enhance the likelihood that the organization's objectives are met.

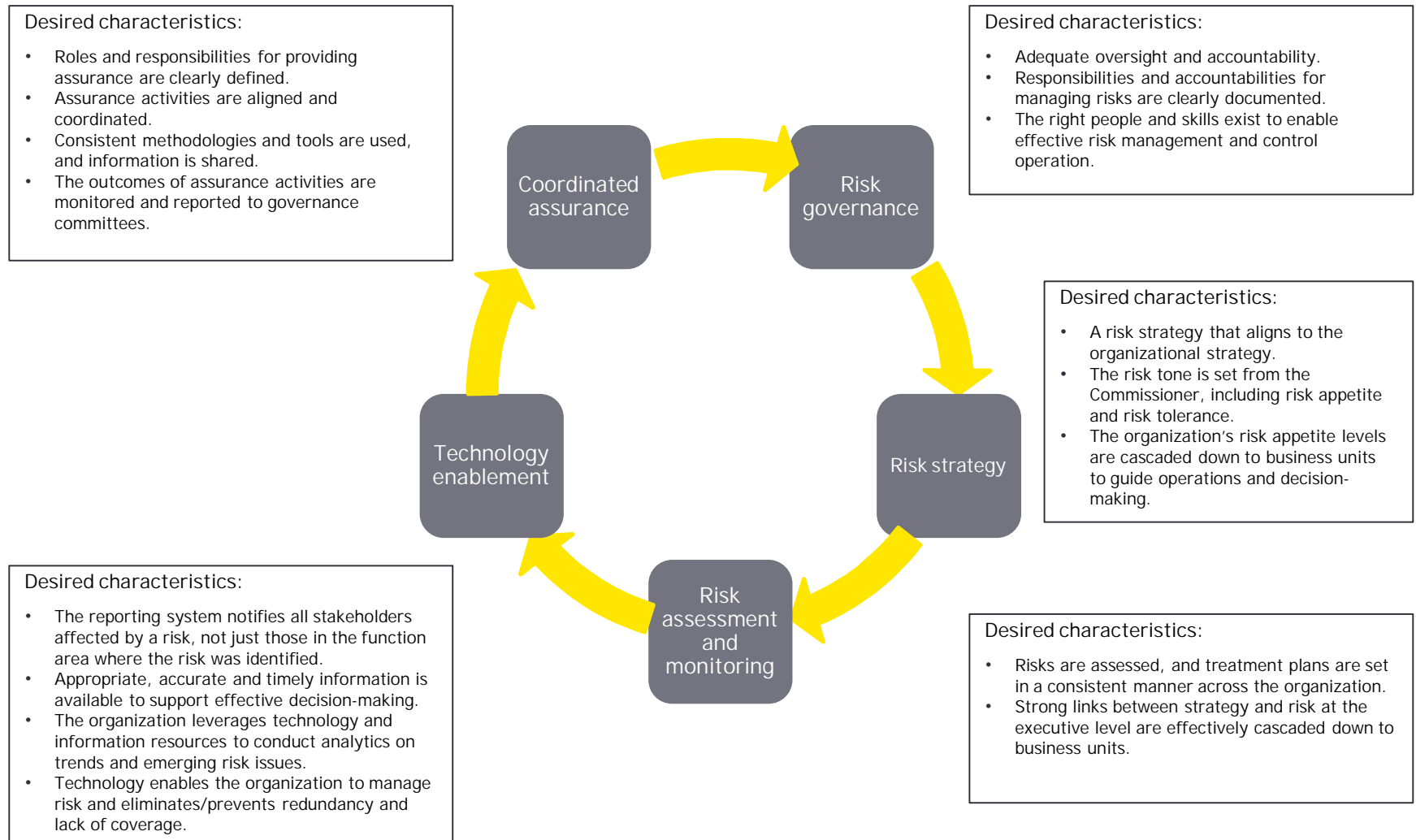
**Second line of defense – oversight functions:** This is a management oversight function that monitors risk in the organization. Second-line functions may develop, implement or modify internal control and risk processes of the organization.

**Third line of defense – internal audit:** Provides independent assurance to senior management and the board that the first and second lines' efforts are consistent with expectations. Internal audit brings a systematic approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The three lines of defense model is illustrated below:



# Appendix 5: ERM program considerations



# Appendix 5: ERM leading practices

---

## Enterprise Risk Management (ERM)

### Risk governance

A risk governance structure is in place that clearly defines and articulates roles, responsibilities and accountabilities and maintains a risk culture that supports accountability in risk-based decision-making. Risks are identified in the context of organizational objectives, highlighting potential impediments to achieving those objectives. A documented ERM policy exists, detailing risk identification criteria, risk definitions, risk assessment protocol, risk monitoring, risk response and risk reporting.

### Risk identification

Risk identification and assessments are performed regularly, as defined within the ERM policy. In addition to regular (i.e., annual) risk assessments, triggering events (such as new legislation) are defined that would require an update to the risk register. There is a consistent approach used to identify and assess enterprise and business-level risks. During risk identification, risks should detail when, who, where and how an event may affect the achievement of business objectives. The risk universe includes internal factors, external factors, upside risk and downside risk. Example risk universes published should be leveraged to determine if applicable risks are missed from an existing risk assessment.

### Risk definition

A common definition of risk is understood and leveraged across the organization. Risks should be articulated in a way that describes the cause(s) leading to a risk event and the resulting consequences. In order to properly assess a risk, the risk's root cause and consequence should be well understood.

# Appendix 5: ERM leading practices (cont.)

## Enterprise Risk Management (ERM) (cont.)

### Risk evaluation/rating

A well-defined risk rating criteria is used for risk assessments. The assessment criteria should employ a combination of quantitative and qualitative measures to obtain an overall evaluation of the level of risk. Dimensions beyond likelihood and impact, such as risk velocity and management preparedness, are considered.

### Risk response

Risk responses are determined by risk owners and approved by those charged with oversight. Risk response actions are prioritized based on the level of exposure to key objectives. Risk response decisions and residual risk are made within the context of understanding key mitigating controls in place and the effectiveness of those controls. Risk response effectiveness is routinely monitored. Control evaluations are supported by management testing.

### Risk ownership/accountability

Accountability for risk response activities is clear and aligned with performance management responsibility. Risk owners are responsible for developing mitigating actions and assigning responsibility for execution. Responsibilities and accountabilities for managing risks are clearly documented. The right people and skills exist to enable effective risk management and control operation. Risk coverage is formally documented to detail those who are accountable for risk mitigation, those charged with monitoring risks and those charged with oversight of risk activities.

### Risk monitoring/reporting

Information about the organization's risk profile is communicated throughout the organization. Risk monitoring exists in a formal manner.

Metrics are used to monitor risk controls in place. Risk response effectiveness is routinely monitored. Monitoring activities are supported by tools, techniques and technology for near-time reporting on controls and risk processes.



# Appendix 5: ERM leading practices (cont.)

---

## Enterprise Risk Management (ERM) (cont.)

### Technology enablement

Risk functions rely on a common technology platform to support risk management activities. Technology enables the organization to manage risk and eliminates/prevents redundancy and lack of coverage. Risk functions utilize technology to support the effective and efficient identification, analysis and monitoring of risks. The organization leverages technology and information resources to conduct analytics on trends and emerging risk issues. Risk reporting leverages basic dashboard functionalities in governance, risk and compliance (GRC) software or other technology solutions, and provides continual updates on key risk indicators, key control indicators and other important risk information.

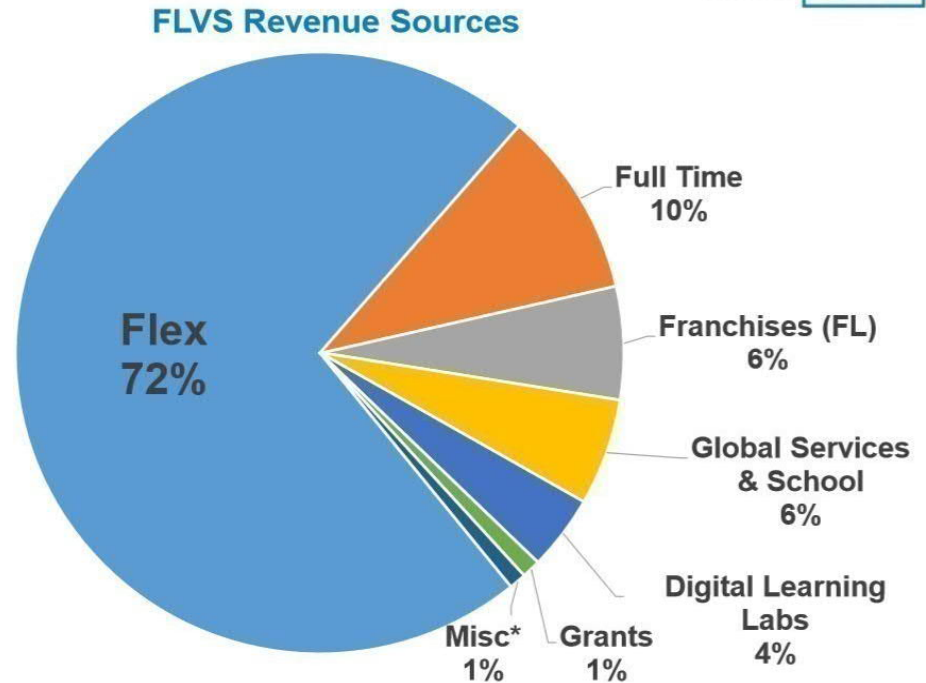
### Internal control framework

Key automated and manual controls are executed to prevent risks from occurring. Monitoring controls are performed but are focused on the highest impact and most likely risks. A precision level is established and documented for monitoring controls in order to appropriately focus efforts.

# Appendix 6: FLVS 2019-20 projected revenue by program



FLVS projected revenue for FY 2019-20 is ~\$239.8M

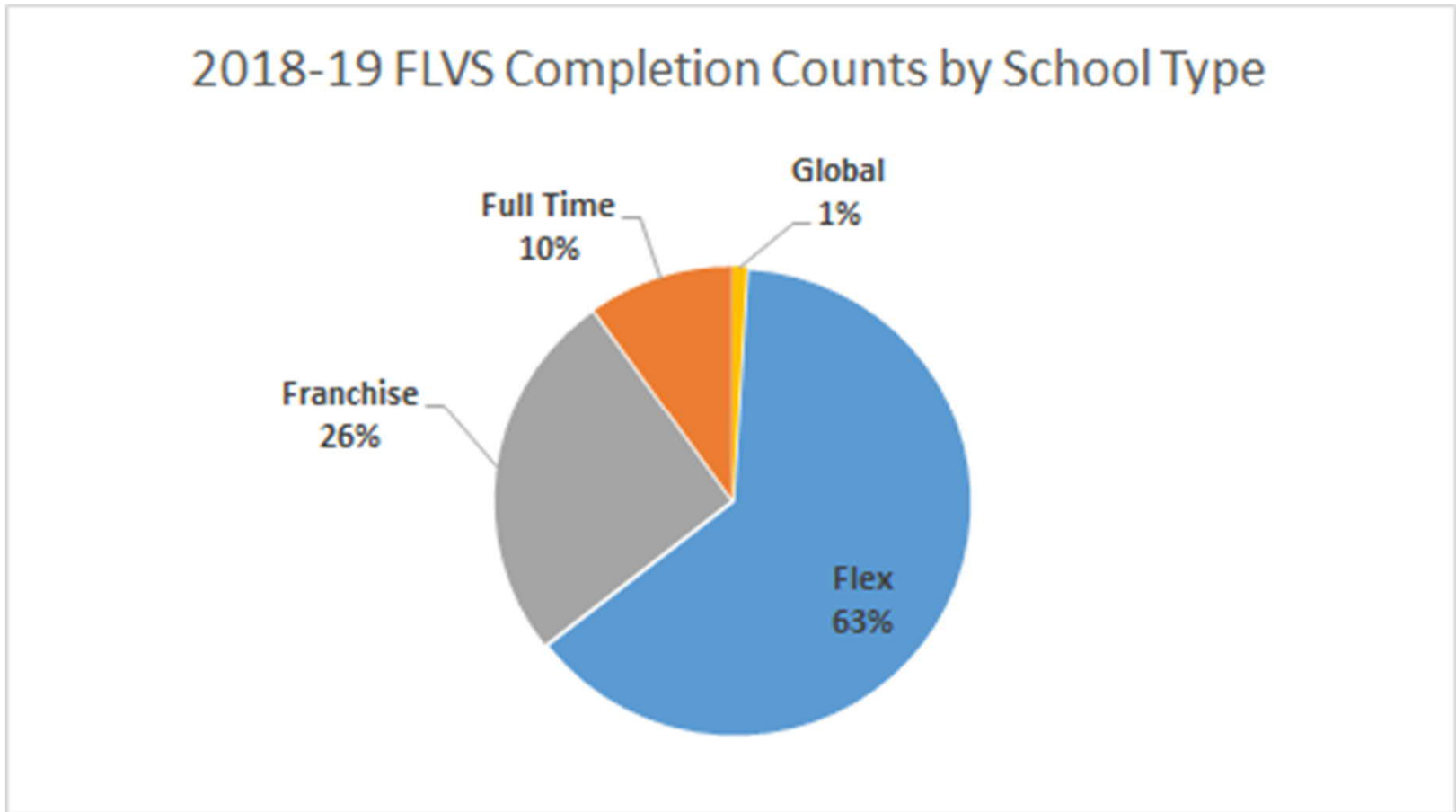


\*Misc. includes interest earnings, building subleasing, and purchasing cards rebates.

Source: Florida Virtual School

# Appendix 7: FLVS 2019-20 completion counts by school type

---



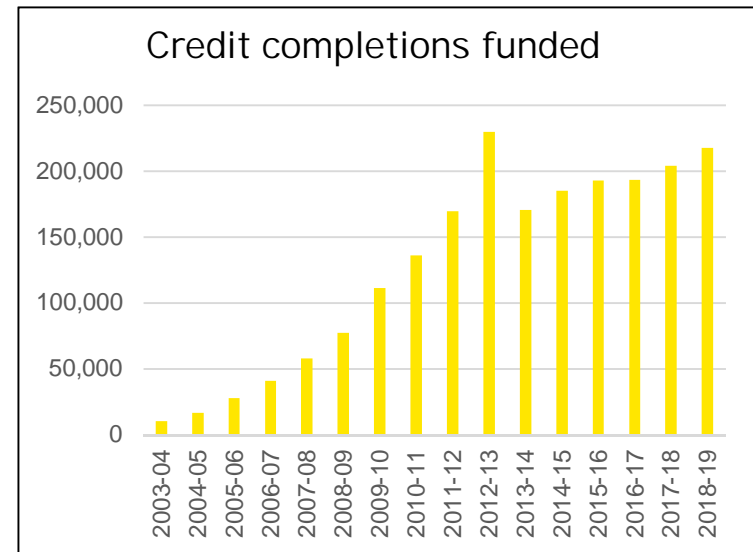
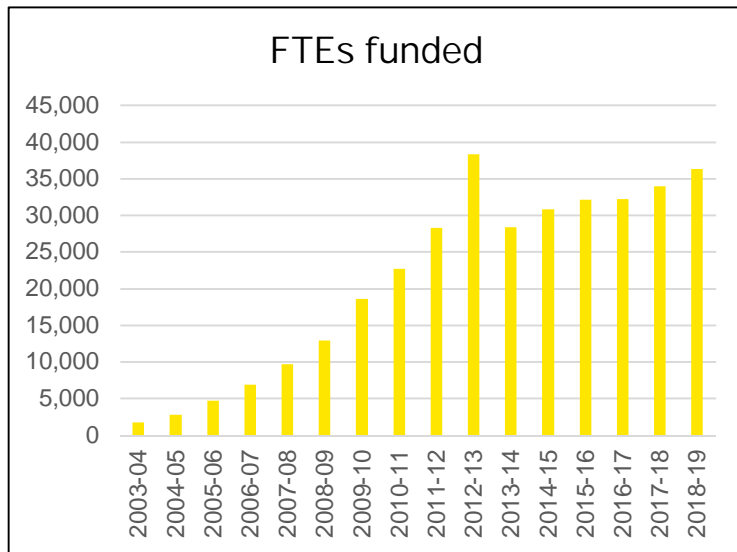
The graph only includes enrollments that made it to complete status since this is how FLVS is funded.

Source: Florida Virtual School

# Appendix 8: FLVS historical funding data for FTEs and credit completions

FLVS Flex and FLVS Full Time schools are funded through the FEFP (Florida Education Finance Program), just like the other brick-and-mortar public schools.

However, unlike the other public schools that are funded based on student enrollment, FLVS Flex and FLVS Full Time schools are funded only for courses that are successfully completed (not per enrollment or seat time).

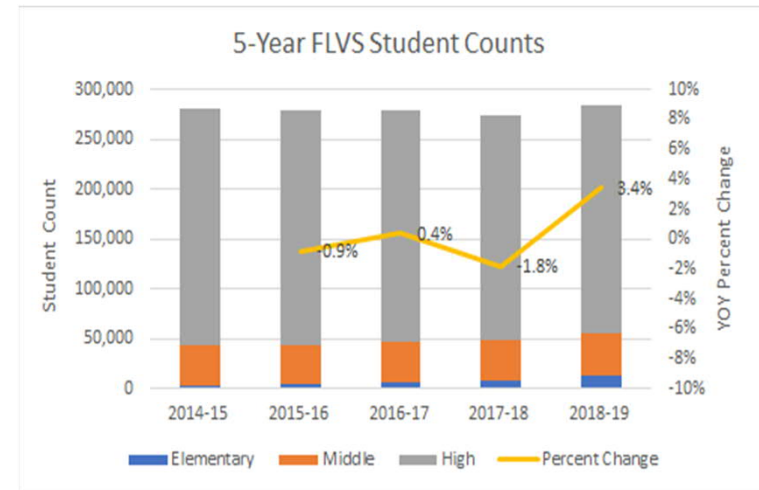
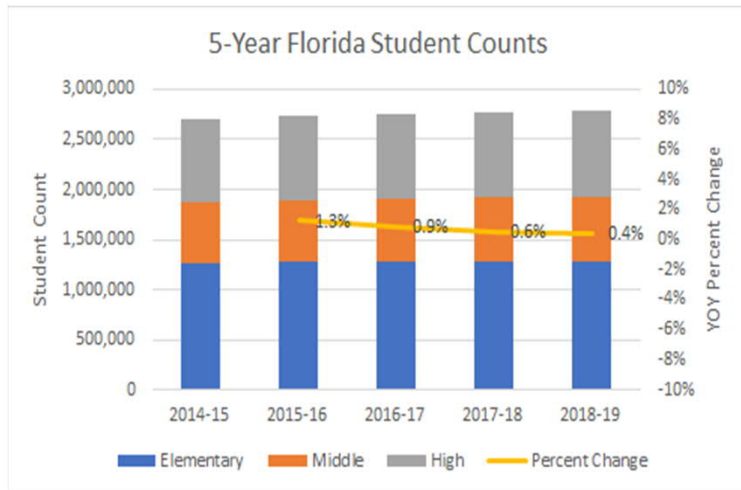


The FEFP formula was modified during the 2013 Legislative Session that limited the amount a student is funded when the student is served both by a district and FLVS.

Source: Florida Virtual School

# Appendix 9: State of Florida and FLVS enrollment growth

Data was obtained from the Florida Department of Education to gain insight into the market that FLVS operates in. The year-on-year growth rate of student enrollment in the state of Florida appears to be steady. The FLVS year-on-year enrollment growth rate appears to be increasing for Full Time and Flex students only.



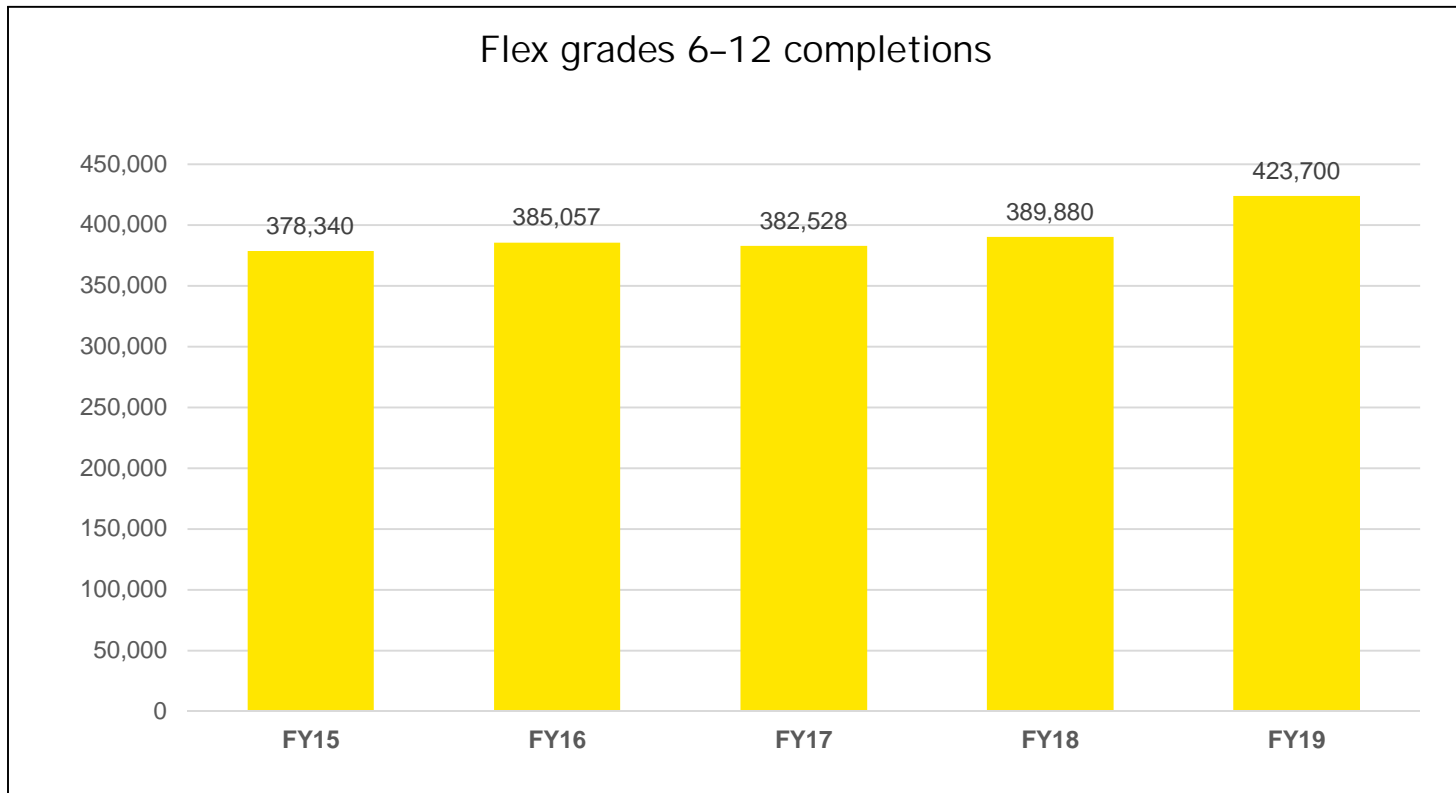
For the percent change line, 2014-15 was used as the baseline value and therefore has no “change.” The percent change line represents change across all levels (elementary, middle and high school).

Source: Florida Virtual Schools and “Strategic Plan 2019-2023” report by FLVS, November 2018.

# Appendix 10: FLVS Flex historical course completions

The graph below shows completions over the past five years for the in-state lines of business:

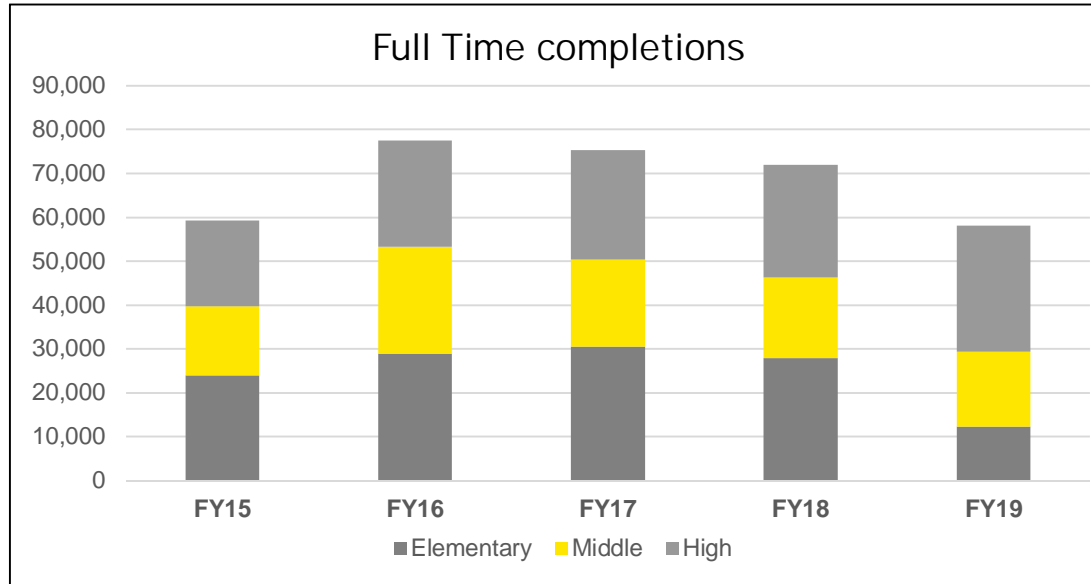
Flex – Allows students to enroll on a per-course basis to supplement current studies. Credits are applied to the transcript of a student's local school.



Source: Florida Virtual School

# Appendix 11: FLVS Full Time historical course completions

Full Time – Serves as a primary school of record, operating on a traditional 180-day school-year calendar. School districts and virtual charter schools may also contract with FLVS to provide the FLVS FT program to district public school students.



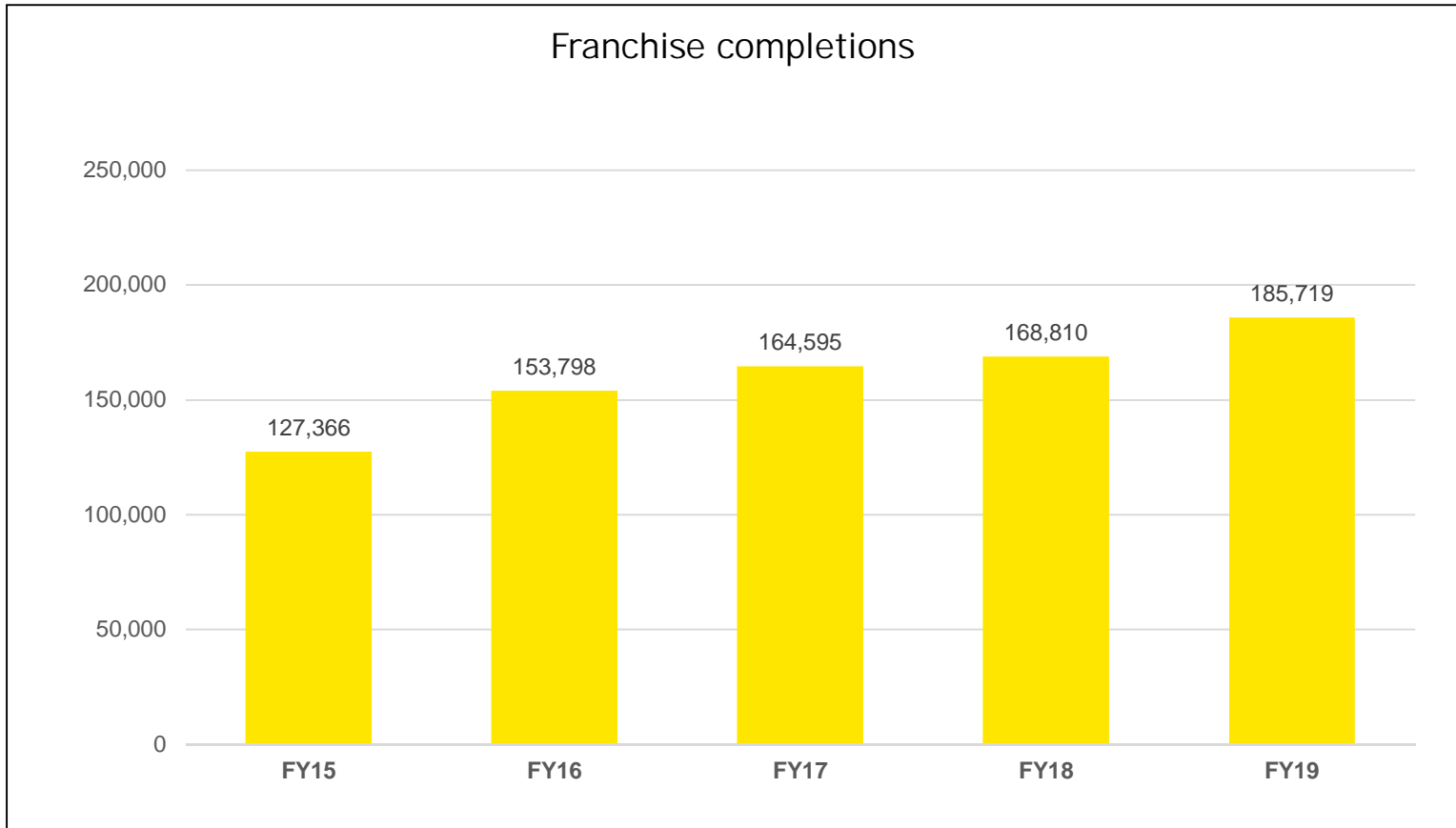
Fiscal year 2019 was a transition year for FLVS elementary as the Full Time team operated the elementary program independently for the first time. Completions are a measure of the number of students who complete all the material in a course with a passing grade. Fiscal year 2019 was a transition year for FLVS Elementary as the Full Time team operated the elementary program independently for the first time. Prior to this year, another online education provider provided instructional and curriculum support to our K-5 school. When analyzing the number of completions, FLVS did experience a decline during this first year of implementation. The decline in completions may be due to several factors:

- FLVS K-5 may have been experiencing an implementation dip due to changes in curriculum, instructional strategies, and organizational structures.
- Families may have a comfort level and familiarity with another online education provider and not interested in making a change.
- Students may have chosen to enroll in FLVS Flex rather than FLVS Full Time.
- Expectations and curriculum demands may have changed due to the shift from another online education provider to FLVS curriculum.

Source: Florida Virtual School

# Appendix 12: FLVS franchise historical course completions

Franchise – Provides content licensing for schools to use the curriculum, virtual instruction and digital labs of FLVS.



Source: Florida Virtual School



# Appendix 13: FLVS Full Time school grades

Historically, FLVS had partnered with another online education provider to administer courses and instruction for elementary and middle schools. 2019 was the first year that FLVS independently operated the elementary, middle and high schools. School grades are determined by the State of Florida Department of Education.

FLVS Full Time school grades

	2019	2018	2017	2016	Informational baseline 2015	2014	2013	2012
K-5	FLVS K-5 C	Other online education provider K-5 C	Other online education provider K-8 C	Other online education provider K-8 C	Other online education provider K-8 B	Other online education provider K-8 B	Other online education provider K-8 C	Other online education provider K-8 C
6-8	FLVS 6-8 A	FLVS 6-12 B						
9-12	FLVS 9-12 B		FLVS 9-12 B	FLVS 9-12 B	FLVS 9-12 A	FLVS 9-12 B	FLVS 9-12 B	

Source: Florida Virtual School

EY | Assurance | Tax | Transactions | Advisory

## About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). For more information about our organization, please visit [ey.com](https://ey.com).

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2019 Ernst & Young LLP  
All Rights Reserved.

1909-3277611  
ED None.

[ey.com](https://ey.com)

