Written by Mark Jaeger
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When agreement is set, Pennsylvania company would operate school district's virtual charter programs

Northern Ozaukee School District officials said last week they are near a deal that would turn over the operation of its virtual school programs to the Pennsylvania company National Network of Digital Schools.

For the past two years the district has worked closely with NNDS in the operation of its digital charter school, Wisconsin Virtual Learning. The company is one of the primary curriculum providers used by the district to serve its virtual students.

Although details of the agreement still need to be resolved, the district would contract with NNDS to run the program, which reaches students across Wisconsin.

The board has been working with attorney Jon Anderson of the law firm Godfrey & Kahn in developing a new charter for the virtual program.

A public hearing on the new charter agreement for the virtual program will be held at 7 p.m. Wednesday, March 2.

An administrative analysis of the agreement said it would "ensure a substantial revenue stream for the district."

Northern Ozaukee collects about $6,900 in equalized aid from the state for each virtual student. The district would use whatever the new state aid amount is to pay NNDS for its services, while retaining a portion of that money for administrative oversight and rent.

Since its inception, the virtual program has generated more revenue than it cost, according to district officials.

The new agreement was defended by Board President Paul Krause during the public forum portion of last week's board meeting.

"We anticipate that the financial impact would be much the same with NNDS running the program, but at substantially less risk to us," Krause said.

"It is not a case of us selling the program to them. They would be functioning more as a subsidiary of the district."

Supt. Bill Harbron said the agreement should be welcomed by families who send their children to the local schools as well as the families of virtual students.

"This agreement will help the financial situation of the district. It should generate extra revenue that can be used to support our brick-and-mortar students," Harbron said.

Unlike the failed relationship the district had with K-12, Inc., when the virtual program was started six years ago, Harbron said NNDS shares the district's educational philosophy of putting the needs of children first.

NNDS officials have agreed to assume the remainder of the debt the district incurred when it took over operation of the virtual school program last year.

The district borrowed $1.5 million over four years to pay for computers, equipment and software licenses.

About $1 million of that loan is outstanding, and the board agreed to refinance that amount over four years. After the district makes this year's payment, NNDS will assume the remainder of the debt.

Officials said the refinancing would free up money to build up the district's sagging fund balance, and has been endorsed by NNDS.

The board voted 7-1 to refinance with Port Washington State Bank, with board member Rick Hamm opposed.

District officials noted that the way the state deals with virtual schools is in a state of flux since Gov. Scott Walker took office in January.

Walker and his Republican colleagues, who have a majority in the Legislature, have been proponents of the choice offered through virtual schools.

The current sentiment is that the state's open enrollment period could be extended to three months and students be allowed to enroll at anytime of the year with the consent of the parents and the receiving school system, Harbron said.
"Open enrollment is changing as we speak," he said.