EXHIBIT 7
DATE 2/4/2011
HB

8

MONTANA DIGITAL ACADEMY

Report to the 62nd Montana Legislature

Status Report on: Montana Digital Academy

Submitted by:
Robert Currie, Director of MTDA

On behalf of the MTDA Governing Board of Directors
Bruce Messinger, Chairman

November 15, 2010

MONTANA DIGITAL ACADEMY

Report to the 62nd Montana Legislature

Background:

The Governing Board of the Montana Digital Academy (MTDA), in keeping with the reporting obligation of HB 459 Section 2, respectfully submits this report regarding the implementation, progress and future direction of MTDA. The creation of the Academy is a direct result of the efforts of many leaders in the State of Montana. The Board wishes to recognize Governor Brian Schweitzer, the Montana legislature, Superintendent of Public Instruction Denise Juneau, educational partners including Montana School Boards Association, Montana Rural Education Association, MEA-MFT, School Administrators of Montana, and the Montana University System whose combined effort in creating this educational initiative was historic in nature.

The legislation approved by the 61st Legislature in 2009 states that, ***" the purpose of the Montana Virtual [Digital] Academy is to: make distance learning opportunities available to all school-age children through public school districts in the state of Montana; offer high-quality instructors who are licensed and endorsed in Montana and courses that are in compliance with all relevant education and distance learning rules, standards, and policies, and; emphasize the core subject matters required under accreditation standards, offer advanced courses for dual credit in collaboration with the Montana University System, and offer enrichment courses."***

The Montana Digital Academy (MTDA) launched its course offerings in the fall of 2010 and is providing innovative online coursework to Montana's K-12 students 24 hours a day 7 days a week for the 2010-11 school year. MTDA offers 50 online high school and dual credit courses ranging from the core subject areas, to world languages and unique electives. The courses are delivered via the Internet and are available to students throughout the entire state of Montana. MTDA provides flexible educational options to meet the needs of the high school students. In the future, courses and online learning programming will be available for middle and elementary school students. For the 2010-2011 school year courses are offered at no cost to students, parents or schools. The Montana Digital Academy has become the newest statewide online academy and rapidly has become an important part of the state online school initiative in the United States.

Overview of Information and Data:

MTDA began classes with students on September 7, 2011 and concluded an introductory drop/add period on September 28, 2010. The following data represents the interest by schools and students in the online

school program and provides an understanding of the involvement of Montana teachers and students from all parts of the state. The top ten courses by enrollment reflect the blend of needs of Montana students. Students enroll in MTDA classes for a variety of reasons including access and equity in small schools, the need to make up a credit, and to take a course that meets their academic needs and/or interests. The list of the top ten highest courses by enrollment serves to highlight these needs of equity and access, credit recovery, and choice and interest very well.

Top ten course enrollments (Fall 2010)

Course	Enrollment
1. Spanish I	164
2. Digital Photography	121
3. Physical Education	84
4. English I	80
5. Psychology	80
6. Health	78
7. French I	72
8. Web Design	69
9. Earth Science	68
10. Latin I	68
US History	68

MTDA 2010-11 Governing Board of Directors

- Bruce Messinger, Chair, Superintendent of Helena Public Schools
- Dennis Parman, Deputy Superintendent of Public Instruction
- Sheila Stearns, Commissioner, Office of Higher Education
- Barbara Fettig, Teacher, Billings School District
- Bryan Duvall, Trustee, Geraldine School Board
- Roberta Evans, Dean, The University of Montana College of Education

MTDA Course Offerings

High School Courses (45 Course Titles):

Algebra 1, Algebra 2 with Trig, Geometry, Pre-Calculus, AP Calculus AB, Biology, Chemistry, Earth Science, Environmental Science, Oceanography/Marine Science, Physics, AP Biology, AP Physics B, American Government, US History, AP Government, AP US History, Montana History, Native American Studies, Global Studies, World History, English I, English II, English III, English IV, AP Language and Composition, AP Literature and Composition, French I, French II, German I, German II, Latin I, Latin II, Spanish I , Spanish II, Chinese I, Chinese II, Digital Photography, Health, Microsoft Office Career Technology, Psychology, Physical Education I, Web Design, Online Student Orientation

Dual Credit/Enrollment Courses (5 Course Titles):

Pre-Calculus MA 151 (UMCOT - Missoula)
Introduction to Anthropology - ANT 101 (MSU COT - Great Falls)
Montana's American Indians - NAS 201 (MSU COT - Great Falls)
Introduction to Psychology - PSYX 100 (MSU COT - Great Falls)
College Writing I - WRIT 101 (MSU COT - Great Falls)

Enrollment Data:

Individual students enrolled (unduplicated): **1430**
Semester course enrollments: **1951**
MTDA Montana Licensed teachers: **67**
Montana schools being served: **137**

(Note: By definition **individual students enrolled (unduplicated)** means the number of unique student enrollments in the program. **Semester course enrollments** represent the total number of enrollments in all MTDA courses. Therefore 1430 students enrolled in 1951 classes.)

MTDA Teachers:

In conjunction with public school districts MTDA has hired over 60 Montana teachers who are providing instruction and facilitation of the online courses to students from all parts of the state. The MTDA teacher's role in the online course is significant in creating a quality learning environment for students. MTDA's teachers set the academic tone in the course by facilitating student learning activities that include group threaded discussions, projects, writing assignments and a variety of assessments.

MTDA teachers are from the following 29 school districts;

Arlee, Baker Box Elder, Billings, Bozeman, Cascade, Colstrip, Columbia Falls, Columbus, East Helena, Eureka, Fairfield, Great Falls, Hamilton, Hardin, Havre, Helena, Hot Springs, Huntley, Kalispell, Missoula, Ophir, Phillipsburg, Roundup, Shelby, Sidney, Thompson Falls, Victor and Whitewater.

Note: Several districts have more than one teacher working for MTDA

MTDA Teachers and Students

Red = Teachers **Purple = Students**

MTDA Staff:

Robert Currie – Director
Jason Neiffer – Curriculum Director
Rayleen Hicks – Administrative Associate
TBA (December 2010) – Instructional Program Coordinator

The Governing Board hired MTDA Director Robert Currie in the late fall of 2009. He became the first director of MTDA after serving as the Executive Director of the Michigan Virtual School for nearly seven years and as a superintendent and high school principal in Michigan. He assumed the position on January 4, 2010 and in February Jason Neiffer, for many years a high school social studies teacher at Capital High School in Helena, was named interim curriculum director. He was officially named MTDA's curriculum director in July of 2010. Rayleen Hicks was hired as the administrative assistant in November of 2009. MTDA also employs part time graduate and undergraduate students from the University of Montana to work on various projects. An instructional program coordinator, whose primary role will be to manage the MTDA teachers and instructional program, will be hired as of December 1, 2010.

Budget Expenditures under HB 645 (2009-2010):

The MTDA budget to date has been expended in the following major categories:

1. **Course content development and acquisition** - MTDA employed Montana teachers as course developers and subject matter experts in the development and acquisition process of the high school courses in the first year of the program. The approach MTDA implemented was to use a combination of in –house development to create MTDA original courses and wherever possible secure perpetual licensing (ownership) of courses so that they become assets of MTDA. The long- term plan is to build a course library that is owned by MTDA, thereby maximizing the investment in the program.

2. **Payments to teachers and schools** – Based on the inter-local agreement with local school districts MTDA is compensating teachers through their school districts. MTDA is also providing reimbursement to the district for the teacher personnel costs such as FICA, Worker's Compensation, Unemployment Insurance, and Teacher Retirement System Contributions made by the district on the compensation paid to the teacher for teaching the MTDA course. Districts are also paid an indirect cost rate of 4%, the statewide average rate for districts as calculated by the Office of Public Instruction, for processing the related paperwork.

3. **Infrastructure** – This consists of acquisition of the learning management system (Moodle), student information and enrollment system, online communication tools to conduct webinars and other communication with local school staff and students and other hardware and software necessary to support the online academic program.

4. **MTDA operational staff** – Starting in 2010 MTDA's staff has consisted of the director, curriculum director, administrative assistant, and graduate assistant. Working as a unit the staff has assembled the online school program, provided teacher training, managed the budgetary resources, and in conjunction with the MEA-MFT leadership developed an effective inter-local teacher agreement with Montana school districts.

5. **Communications and marketing** – Presentations have been made at numerous major educational conferences including statewide and local superintendent, principal, teacher, counselor, and higher education conferences. There have been numerous electronic and ground mailings, as well as the development of collateral communication pieces for wide distribution. Also a series of online webinars were implemented to provide information and training to parents and educators.

Future funding requirements and recommendations:

The MTDA Governing Board and the director advocate that the Academy program should be fully funded through the 2013 biennium to allow it to become established as an educational entity and to meet the intent of the original legislation of serving K-12 Montana students.

The proposed plans for the 2013 biennium for MTDA include continuing to maintain and expand the high school program while adding opportunities for middle school students. The MTDA Governing Board has approved a proposed budget of $2,336,000, and a funding request of that amount, for the continued operation of the online program for the 2013 biennium. Approval of this funding request will allow

MTDA to support the cost of the continual development, refinement and delivery of the high school program which is projected to serve 4000-4500 students annually and also begin work on developing the middle school component.

To provide a frame of reference for the MTDA funding request there is a range of state level support of the over 30 statewide online program initiatives in the United States. On a comparative basis the proposed budgetary support being sought by MTDA is a moderate request for support amongst these initiatives especially when consideration is given to the number of student enrollments MTDA will serve. Additional information on these online initiatives may be found in ***Keeping Pace with K-12 Online Learning: An Annual Review of Policy and Practice, John Watson*** at www.kpk12.com .

Conclusion:

This report is intended to provide the pertinent information and data to create an understanding of the progress that MTDA has made over the past ten months. The staff of MTDA is committed to providing high quality service to our students, parents, schools and our teachers. Those associated with the creation, launch and implementation of the program are pleased with the interest shown by Montana students, parents, teachers and schools. MTDA is serving a significant need in education in the state and has been created in a manner to become an asset to the State of Montana. By providing the online courses, including dual credit opportunities, this investment is uniquely poised to pay dividends in the future by contributing to graduation rates, potential college attendance, and to the overall educational success of Montana students. The MTDA Board and leadership are committed to the future success of the Academy and by taking advantage of lessons learned by other statewide online schools, intend to continuously improve the program. In order to build upon this successful launch the MTDA Governing Board is requesting funding of $2,336,000 for the 2011-13 biennium. This funding request will allow MTDA to continue to build on its highly successful start and to utilize this solid foundation to continue to expand educational opportunities for present and future Montana students.