



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Director
AMY CARLSON

DATE: March 6, 2012

TO: Legislative Finance Committee

FROM: Robert Miller, Fiscal Analyst I
Barbara Smith, Statewide Fiscal Specialist

RE: Update – SJR 26 Study of the Montana Digital Academy.

The Legislative Finance Committee directed a performance review of the Montana Digital Academy (MTDA) in accordance with Senate Joint Resolution 26 (SJR 26).

MTDA Budget Update:

Through the first six months the academy has expended 85% of the program's allocation for FY 2012, primarily due to larger than anticipated enrollments. Teachers are paid a flat fee to set up classes and a per student fee for all students who stay in the program for longer than two weeks. The program also pays schools for taxes and benefits on the additional teacher salaries, as well as an indirect assessment. Therefore, classes and students in excess of the anticipated level will stress the budget.

In April of 2010 the legislature authorized an appropriation of \$2,336,000 based on a forecast of 2,500 enrollments a year for the 2013 biennium (5000 total). Actual enrollments for FY 2012 will be 6,915 and enrollments are expected to grow by 5% for FY 2013 to 7,260. The total enrollments for the first two years are now forecasted to be 2.8 times the original April 2010 estimate.

The department has received a federal Title II grant of \$123,800 that will allow it to complete the fiscal year. However, if operations continue at the same levels in FY 2013 as in FY 2012 and enrollments grow at the projected level, the appropriation for FY 2013 will be insufficient to cover operating cost for FY 2013. Therefore, the office will need to take measures to stay within its appropriation in FY 2013.

Enrollment Analysis for Fall 2011:

For the fall 2011 semester original credit courses accounted for 61% of total classes, of which 3% were taken as advanced placement. Credit recovery represented 39% of the courses taken. 57% of the students enrolled attended schools with a total enrollment of less than 500. For the smaller schools the most popular courses are world languages (30%), while at the largest schools (greater than 1500 ANB) the most popular courses were English Language Arts (31%). Table 1

breaks down the enrollment by content area and Table 2 gives a breakdown of why students enrolled.

Table 1

MTDA Subject Enrollment by School Size, Fall 2011					
School Size	> 1500	1001 to 1500	501 to 1000	< 500	Total
Art	6	9	5	80	100
Career Technologies	10	8	9	36	63
English Language Arts	91	139	92	180	502
Finance	4	2	1	23	30
Health PE	22	76	10	75	183
History	26	45	39	107	217
Math	34	56	26	151	267
Science	41	103	53	211	408
Social Studies	29	32	8	67	136
World Languages	28	55	19	403	505
Total Enrollments	291	525	262	1333	2411

Source: Montana Digital Academy

Table 2

MTDA Purpose Enrollment by School Size, Fall 2011					
School Size	> 1500	1001 to 1500	501 to 1000	< 500	Total
Advanced Placement	14	4	5	53	76
Credit Recovery	130	311	170	318	929
Original Credit	147	210	87	962	1406
Total Enrollments	291	525	262	1333	2411

Source: Montana Digital Academy

SJR 26 Study:

This study will have three deliverables for September 2012.

1. Determine operational and incremental cost to be used in forecasting expenses for the next biennium for various levels of operation. Determine what additional cost, such as IT infrastructure and hardware, are imposed on the local school districts and individual students. Compare cost and benefits with other sources of online education.
2. Determine if the MTDA is having a positive impact on graduation rates for at risk students.
3. Collect data to determine exactly how Montana students and schools are utilizing the program.
 - Usage by subject matter
 - Usage by school size
 - Usage by purpose (AP, Original Credit, Credit Recovery)
 - Dual Credit courses