Rising to the Challenge...Day-by-Day
This report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We have tried, whenever possible, to identify these forward-looking statements using words such as "anticipates," "believes," "estimates," "continues," "likely," "may," "opportunity," "potential," "projects," "will," "expects," "plans," "intends" and similar expressions to identify forward looking statements, whether in the negative or the affirmative. These statements reflect our current beliefs and are based upon information currently available to us. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties, factors and contingencies include, but are not limited to: our potential inability to further develop, maintain and enhance our products and brands; the reduction of per pupil funding amounts at the schools we serve; reputation harm resulting from poor performance or misconduct by operators in any school in our industry and in any school in which we operate; challenges from virtual public school or hybrid school opponents; failure of the schools we serve to comply with regulations resulting in a loss of funding or an obligation to repay funds previously received; discrepancies in interpretation of legislation by regulatory agencies that may lead to payment or funding disputes; termination of our contracts with schools due to a loss of authorizing charter; failure to enter into new contracts or renew existing contracts with schools; inability to recruit, train and retain quality teachers and employees; and other risks and uncertainties associated with our business described in the Company’s filings with the Securities and Exchange Commission. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. All information in this release is as of February 7, 2013, and the Company undertakes no obligation to update any forward-looking statement to conform the statement to actual results or changes in the Company’s expectations.
Letter from the CEO

**Highlights:**

- **K12** is leading the transformation to individualized learning, which aims to customize instruction to meet each student’s unique capabilities, interests, and needs.

- K12-managed public schools are the most “public” of public schools, open to every child based on choice, not geographic location or economic means.

- **Online learning, as it achieves mainstream acceptance, faces new challenges as it seeks to help a greater variety of students.** K12 is quickly adapting to challenges, including a growing population of academically at-risk students, students with special needs, high mobility rates, and the complexities of measuring academic progress under these conditions.

- In K12’s early years, students in K12-managed public schools scored at or near state averages on widely used standardized assessments. In recent years, however, as the number of academically at-risk students in K12-managed public schools has increased sharply, standardized test scores have skewed below state averages. We estimate that **from 50% to 70% of students now entering our largest schools did not achieve proficiency in math on state exams they took in the year before enrolling in a K12-managed public school,** and up to **40% did not achieve proficiency in reading.** Moreover, in many K12-managed public schools, **about half of the students taking state-required tests are in their first year in a K12program**—thus, their scores reflect their previous educational experience more than their brief time in a K12-managed public school.

- K12 believes that widely used standardized assessments suffer serious limitations as measures of progress in an individualized learning environment. We submit that **a more accurate method for measuring student performance is the progress a student makes over the course of a school year,** also known as a “growth measure,” which can best be captured by using adaptive testing. For the 2011-2012 school year, students in K12-managed public schools, in aggregate, achieved **97% of the norm group gain in math and 196% of the norm group gain in reading** based on the results of the Scantron Performance Series™ online computerized adaptive test.

- As a leader in the industry, K12 is deploying its resources to address the challenges facing individualized learning and to drive continuous improvement through innovation, investment, and partnerships. To date, K12 has invested more than **$320 million in innovative curriculum, technology, learning systems, and teacher support.** K12 is seeking to partner with states, districts, and parents to improve academic performance and boost graduation rates.
Realizing the Promise of Technology-Enabled Individualized Learning

Since its founding more than a decade ago, K12 has been inspired by the belief that technology can allow any child to obtain a high-quality education regardless of location or economic circumstances. As K12 has grown, we have embraced the potential of technology to enable the transformation to truly individualized learning. We believe the industry is reaching an exciting inflection point, and day-by-day, K12 is working to rise to the challenge. The purpose of this report is to provide a clear-eyed view of our progress, areas where improvement is still needed, and efforts we are taking to close the gap.

The promise of technology-enabled individualized learning focuses on:

Providing customized learning experiences, differentiated according to individual needs, not to a few but at scale.

Although it has long been possible to offer specialized programs to a few students, new technologies allow many more students than previously imaginable to learn more efficiently and effectively. Innovative adaptive learning technologies can monitor student progress and incorporate a range of instructional options to allow students to follow different paths and maximize academic success. The tools and methods of adaptive learning can help students proceed at an optimal pace, overcome obstacles, and pursue special interests. K12 is working to implement adaptive learning technologies across our growing curriculum portfolio, which currently includes more than 700 courses and titles to meet a range of capabilities, from advanced learners to struggling students, including multiple levels of core high school courses; a full suite of world language courses; electives in the sciences, technologies, arts, and humanities; and Advanced Placement® (AP), remediation, and credit recovery courses.

Making excellent teaching available to any school and any child, regardless of geographic location. In the 2012–2013 school year alone, K12 has trained more than 1,200 full- and part-time, state-certified teachers hired by K12-managed public schools. Teachers are critical to the success of students in online learning, and K12 enjoys the advantage of choosing from a wide array of highly qualified teachers. Schools in which K12 helps recruit and hire teachers have documented an average of more than 40 applications for every teaching position. We consider the more than 4,000 K12-trained, full- and part-time, certified teachers in our managed public schools to be among the finest instructors in the nation.

In the 2012–2013 school year alone, K12 has trained more than 1,200 full- and part-time, state-certified teachers hired by K12-managed public schools.

Delivering more for less. On average, K12-managed public schools deliver a quality education for approximately 60% of the national average per-pupil expenditure. K12’s ability to marshal corporate capital allows us to invest resources deliberately and accountably in innovative delivery methods, and to make the most of economies of scale. For example, we employ technology to help keep down materials costs by offering virtual labs and by creating online books that can be instantly updated. We also make the most efficient use of instructional time by allowing teachers to focus on the needs of individual students rather than classroom management or lesson preparation. These efficiencies will
be enhanced with the coming transition to the Common Core State Standards, with which our curriculum is already largely aligned. Under Common Core, resources once spent on revising curriculum for different states can be redirected toward investment in more innovative products and remediation technologies.

K12 and its charter school and school district partners are leading the transformation to individualized learning, with curriculum and services used in 85 countries on six continents, including more than 50 physical sites. Our courses are offered in full-time online schools, blended schools, traditional classrooms, pre-kindergarten classrooms, and homeschool environments. We now serve more than 110,000 full-time students in public schools managed by K12 in 33 states and the District of Columbia. These K12-managed public schools are open to every child based on choice, not geographic location or economic means. For most students, K12-managed public schools are the only public school alternative available.

Challenges Facing Online Education

All major innovations—from computers to e-commerce to cell phones—face challenges as they evolve and approach mainstream acceptance. Online learning is no exception. As the nation’s largest provider of technology-enabled individualized learning, K12 is rapidly adapting to many challenges, including the following:

A Growing Academically At-Risk Population: In K12’s early years, academic performance in K12-managed public schools was largely within norms as measured by state assessment tests. Recently, however, the number of families choosing to enroll their children in K12-managed public schools has increased rapidly, and many of those children are academically at-risk—that is, they are one or more years behind grade level, according to state test scores or other data. In the larger K12-managed public schools that we have analyzed, academic performance for incoming students is well behind grade level. We estimate that as many as 50% to 70% of new students did not achieve proficiency in math on state exams taken in the year before enrolling in a K12-managed public school, and up to 40% did not achieve proficiency in reading. K12-managed public schools are also being chosen by large numbers of high school students who are not on track for on-time graduation—in one sampling of these schools, approximately 40% to 60% of incoming 10th, 11th, and 12th graders were credit deficient upon enrollment.

Transience and Mobility: Research has shown that moving from one school to another can impede learning as a student adjusts to the new school.1 This adjustment period also applies to students who are new to K12-managed public schools. Even as students are adjusting to the online learning environment, they are often required to take mandatory state standardized assessments. In K12-managed public schools, typically half of students taking state-required tests in the spring timeframe are in their first year in a K12 program, and more than 70% have been with the program less than two years. Thus, the students’ scores reflect their previous educational experience more than their relatively

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brief time in a K12-managed public school. For students who have recently enrolled in a K12-managed public school, their performance on standardized assessments reflects a momentary “snapshot in time” of their level of academic attainment upon or soon after entry, rather than the effect of their limited time in a K12-managed public school.

**Appropriate Measurement:** Typical assessment and performance measures, such as criterion-referenced tests and non-adaptive norm-referenced tests, are limited in their ability to measure the academic success of schools with large numbers of students entering far behind grade level. Such assessments do not account for the time required to remediate academic deficiencies. The tests simply confirm, year after year, that a student remains behind grade level, without accounting for the incremental progress that the student may be making toward grade level. For students who fall well behind grade level, remediation takes time. For example, a sixth-grade student entering at a fourth-grade level would have to learn at a rate of 1.5 years annually to catch up by 10th grade—a daunting task for all but the most gifted students. Even boosting a student’s annual progress to 85% of grade level would be a remarkable achievement, but most criterion- and norm-referenced models of standardized testing are not designed to measure that incremental improvement.

**Student Engagement:** Brick-and-mortar schools and online public schools both face the challenge of unengaged, unprepared students. As K12 develops varied instructional models to meet the needs of different students, we are specifically implementing programs to increase student engagement. As K12 develops varied instructional models to meet the needs of different students, we are specifically implementing programs to increase student engagement. We are improving and expanding our curriculum, training teachers on how to engage students more successfully in an online environment, and creating pathways to help students become more responsible learners. Indeed, we feel that, for many students, technology-enabled individualized learning has the potential to become even more engaging than a traditional brick-and-mortar classroom.

The number of families choosing to enroll their children in K12-managed public schools has increased rapidly.
Improving Measurement

For complex reasons (including, as discussed above, growing populations of academically at-risk students, as well as high mobility and transience), K12-managed public schools now often fall into the lower half of performance when measured by widely used standardized assessments. These assessments, however, suffer serious limitations as measures of progress in an individualized learning environment. We believe that a more accurate method for measuring student performance is the progress a student makes over the course of a school year, also known as a “growth measure,” which can best be captured by using adaptive testing. This approach accounts for students who enroll at different levels of proficiency in the same grade during a school year, and focuses on annual gains instead of static proficiency standards at a given point in time. Computer-administered adaptive tests can dynamically adjust the difficulty of questions based on students’ previous answers, thus quickly and precisely honing in on a student’s ability and progress, and eliminating the need for separate tests for multiple grade levels.

Beginning with the 2008–2009 school year, K12 has evaluated the progress of students in K12-managed public schools by using the Scantron Performance Series online computerized adaptive tests, which we administer to all students in grades 3–10 at the beginning and end of each academic year. The Scantron assessments allow us to measure our students’ gains longitudinally compared to a large, nationally normed group.

We are pleased to see many states moving to growth models to measure school and student achievement. For example, the Smarter Balanced Assessment Consortium, one of the two groups developing tests for the Common Core State Standards, has reported that they plan to use a computerized adaptive test, which promises to be a better measure of academic growth than the standardized assessments currently used in many states.

Delivering Results in K12-Managed Schools

The remainder of this report explains K12’s efforts to assess results in K12-managed schools, primarily our managed public schools, as measured by Scantron data. Some of the key conclusions from this data are summarized below.

For the 2011–2012 school year, students in K12-managed public schools achieved 97% of the Scantron Norm Group gain in Math and 196% of the Scantron Norm Group gain in Reading.

K12-Managed Public Schools

• The rising number of academically at-risk students choosing to enroll in many K12-managed public schools has had the effect of skewing these schools’ standardized test scores below state averages. In these same schools, however, Scantron Performance Series scores demonstrate gains close to or above the gains of norm groups in math and reading for all grade levels tested for the past three years.

• For the 2011–2012 school year, students in K12-managed public schools, on aggregate, achieved 97% of the Scantron Norm Group gain in math and 196% of the Scantron Norm Group gain in reading. Gains were higher than the Norm Group in seven of eight grade levels in reading, and in four of eight grade levels in math.

• Based on data from our top-enrolling resident districts, the longer students remain enrolled in K12-managed public schools, the better the students do compared to overall averages for those districts.
K12 Private Schools

- Students in the K12 International Academy, a tuition-based private school managed by K12, do extremely well when compared to Scantron national norms, which we surmise is attributable in part to the commitment and engagement demonstrated by families willing to pay tuition.

- For the 2010–2011 school year, K12 International Academy students achieved gains higher than the national norm group in all eight grade levels assessed in reading and mathematics.

- Although we are working to improve our data on these schools and the factors behind this performance, we believe that the success of this school demonstrates the power of the technology-enabled individualized learning model for highly engaged students.

Working to Advance Individualized Learning

As an industry leader, K12 is investing and applying its resources to systematically address the challenges facing providers of individualized learning. We aim to drive continuous improvement of the model through partnership, investment, and innovation.

Raising Academic Performance: K12 is committed to delivering a high-quality education to every child we serve. Using individualized education as the underlying framework, we are continuously seeking to improve academic performance. Our goal is to maximize all students’ academic progress while they are enrolled in a K12-managed school. For those who remain enrolled through their high school years, we aim to see them graduate prepared for the next step of their choice, whether college or career. We are seeking to partner with states in the effort to provide the data, systems, and processes needed to ensure that no student falls through the cracks. To lead our efforts to boost academic performance, we are engaging a new Chief Academic Officer who will benefit from the wisdom of our distinguished Education Advisory Board for the 2012–2013 academic year.

Working to Boost Graduation Rates: More than a decade into the 21st century, one of the most tragic failures of American education is that nearly one quarter of students never graduate from high school. A 2009 study found that in the major school systems serving the nation’s 50 largest cities, the aggregate high school graduation rate was only 53%. This failure is the result of many factors, both social and educational, including the “one-size-fits-all” model of education, which can be alleviated in part by offering more choices for students, including online schools. Although online public schools have been criticized for their graduation rates, such criticism fails to account for the very brief time that most online schools have had to help remediate students who enter with serious deficits. We believe that online learning presents a tremendous opportunity to close the graduation gap over time. For example, older students who are unlikely to re-enter a full-time brick-and-mortar classroom among younger peers can “recover” credits and complete their high school diplomas by taking online

classes in highly flexible learning environments that meet their individual needs. Such an option is offered by one K¹² partner, the Youth Connection Charter School (YCCS) in Chicago, which enrolls high school students who have previously dropped out. The YCCS Virtual High School, one of the YCCS campuses and managed by K¹², has graduated more than 90% of the eligible senior class for each of the past three years.

K¹² has invested more than $330 million in innovative curriculum, technology, learning systems, and teacher support. In particular, we are investing in the science of improving education. Our world-class subject-matter experts, instructional designers, and educational innovators benefit from the volumes of data generated by the more than 110,000 full-time students in our system. With this data, we learn how our students learn, and then, building on our more than 10 years of expertise in online learning, we craft cutting-edge solutions to meet the challenges of individualized learning. K¹² is among the leaders in implementing adaptive learning systems, which allow students to follow different paths to academic success. K¹² continually conducts pilots aimed at identifying more effective approaches to online learning. Successful pilots are offered to all K¹²-managed public schools to encourage the rapid adoption of best practices.

Investing in 21st-Century Teachers and Solutions: K¹² has invested more than $330 million in innovative curriculum, technology, learning systems, and teacher support. In particular, we are investing in the science of improving education. Our world-class subject-matter experts, instructional designers, and educational innovators benefit from the volumes of data generated by the more than 110,000 full-time students in our system. With this data, we learn how our students learn, and then, building on our more than 10 years of expertise in online learning, we craft cutting-edge solutions to meet the challenges of individualized learning. K¹² is among the leaders in implementing adaptive learning systems, which allow students to follow different paths to academic success. K¹² continually conducts pilots aimed at identifying more effective approaches to online learning. Successful pilots are offered to all K¹²-managed public schools to encourage the rapid adoption of best practices.

Developing Multiple Pathways: To meet the needs of our growing academically at-risk population, we are working to create differentiated offerings and instructional models. We are investing extensively in enhanced remedial instruction, focused support programs, and specialized teaching practices across K¹²-managed public schools. Areas of investment and innovation include the following:

- **Academically At-Risk Programs** designed specifically to optimize educational service delivery. These programs will have curriculum, courses, teachers, and guidance services specifically for students who are behind grade level and seek to catch up.

- **Remediation Products** for students behind grade level, including MARK¹² Reading, designed to help students who are behind in reading make accelerated progress in coming up to grade level, and other products that assess and deliver customized curricula to address student needs.

- **Remediation Services** involving teacher interventions with students behind grade level, as well as programs such as the National Math Lab, which showed promising results in its 2011–2012 pilot school year.

Engagement Programs: K¹² is pursuing several pilot programs designed to get unengaged students back on track, capitalizing on our outstanding teachers, content-rich curriculum, and the power of the technology-enabled individualized pedagogical model. Initial results are promising, and we expect these results to get better every year. We continue to work with cognitive scientists and experienced educators to “crack the code” on what makes learning come alive for all types of students, even those chronically unengaged students for whom our current online individualized pedagogical approach may not be appropriate. We foresee a time in the not-too-distant future when an algebra course is as engaging as a good video game.
Research on Measurement: K¹² is developing plans to invest in collecting additional data, especially from K¹²-managed public schools. We are implementing growth studies, matched pair studies, and longitudinal studies, and we are gathering results from various pilots and remediation initiatives. We have retained independent third-party researchers to recommend how we might achieve better results in K¹²-managed public schools, and to determine why these schools are not doing as well as desired on some current gains assessments compared to performance on Scantron measurements. K¹² is working to collect additional data on entering students to help us create even more detailed profiles of the students we serve, both short- and long-term. We are also exploring tracking studies to measure outcomes over time, such as college graduation and employability. Knowing the students’ entry points and learning pathways before matriculation will allow us to customize each student’s program more efficiently and effectively.

Maintaining High Satisfaction: Many parents turn to online schools, including K¹²-managed public schools, as a limited-time solution to address a specific learning or family issue. Once these parents perceive the issue as “solved,” they put their children back in the local school, and the result is that online schools experience relatively high departure rates. Nevertheless, despite this frequent turnover, and despite our substantial increase in academically at-risk students, K¹² has maintained consistent retention rates over the past five years by focusing on delivering an individualized experience for every student and improving our offering every year. These efforts allow K¹² to attain high student and parent satisfaction rates, as measured by annual user surveys. We believe improvements in our offering have also enabled us to maintain stable retention rates in the face of a changing student population.

Looking Ahead

Technology-enabled individualized learning is still in its early stages. Achieving its full promise will demand prodigious investment, perseverance, innovation, hard work, and partnership. To engage young people today to commit to a challenging educational program will require extensive investment in products with the sophistication, creativity, and interactivity of the best video games. Improving performance will require state governments and school districts to commit for the long haul and provide the full resources, information, and cooperation that online schools need. Parents and students will need to invest the time and effort to adhere to Individualized Learning Plans. Given the rapid pace of technological advancements, we anticipate that a focused investment of financial and human resources will lead to remarkable results in the next decade.

We want to give every child, regardless of geographic location or economic circumstances, the opportunity to succeed academically. Over time, our goal is to offer a full continuum of options that make individualized learning the norm, not the exception, and ultimately for academic performance in K¹²-managed schools to exceed that of traditional schools. New educational technologies will soon touch every child in the world. Some children will use these new technologies in the traditional classroom, some will take a few online courses, and some will enroll full time in an online school. Students who drop out of high school will be able to complete their education in an online setting that offers flexibility and engagement while still maintaining rigor. Through extensive investment in advancing adaptive learning technology, developing engaging interactive lessons, and improving online teaching practices, our mission is to see the promise of individualized learning fulfilled—and we will not rest until the dream of a great education for every child becomes a reality.

Sincerely,

Ronald J. Packard
“It’s Incredible to See the Change in Mollie.”
Mollie, a hearing-impaired child, is given a new lease on learning at the Idaho Virtual Academy. Here is her story:

“My daughter Mollie had always struggled in school because of hearing difficulties. Through the years, we’d gotten help for her hearing impairment, but problems remained.

“Mollie qualified for an Individualized Education Program—IEP—at her public school. However, even with that help, during first through third grades, she never tested at grade level on state tests—she came in ‘Below Basic.’ Her reading indicator tests also came in ‘Below Basic’ level, or ‘at-risk.’ By the end of third grade, she scored at third grade/fifth month in her state test.

“I wanted Mollie to repeat third grade. Moving her on would only put her further behind. But the principal and Mollie’s IEP team resisted. They said she wouldn’t be helped if she were held back. A school psychologist even said Mollie was ‘functionally retarded,’ and based on a form about Mollie’s behavior and concentration, she said I could take that sheet of paper to any doctor to get her a prescription for ADD/ADHD medication.

“I didn’t like where this was headed, so I decided to make a change. I’d heard about K12 through a friend. When I asked them about allowing Mollie to repeat the third grade, they said it wouldn’t be a problem, so I enrolled her in the Idaho Virtual Academy (IDVA). Being able to put her in a tuition-free school and still have access to services really helped us as a family.

“By the time Mollie was in fourth grade, she was testing right where she needed to be—at grade level—and even slightly above the national average!”

“Working one-to-one with Mollie has been extremely helpful for her academically. If something is too difficult and I can tell she hasn’t learned it yet, we don’t have to rush on to the next thing. I can review the subject with her until I’m sure she understands it. And her teacher, IEP specialist, and speech therapist communicate with each other, which helps us all support Mollie the best way possible.

“By the time Mollie was in fourth grade, she was testing right where she needed to be—at grade level—and even slightly above the national average! Now she’s in fifth grade, and her assessments are going so well, she may not require an IEP any longer.

“On a personal level, it’s incredible to see the change in Mollie. She had become withdrawn in public school because she knew she was behind the other kids. She was afraid to make mistakes and wasn’t willing to try or to learn new things. Now, Mollie’s confidence is up. She’s a visual learner, so she likes the online games and the way the K12 curriculum is interactive. Her favorite subject is art. She loves the online program and especially loves the hands-on assignments, like making masks.

“As she makes her way toward high school, my hope for Mollie is that she’ll always have a sense of curiosity and a love of learning. At IDVA, she’s developing tools for success that she can hold on to.”
What is K^{12}?
K12 and Its Charter School and School District Partners Are Leading the Transformation of Today’s “One-Size-Fits-All” Education System to One of Individualized, Child-centered Learning that Focuses on Each Student’s Unique Capabilities, Interests, and Needs.

Like all innovations, this transition will not happen overnight, and K12 is rapidly responding to challenges as the industry approaches mainstream acceptance. Completing this transformation and realizing the full potential of online learning are jobs that curriculum, technology, and service providers like K12 can achieve only in partnership with school districts and communities, state governments, administrators, teachers, parents, and students.

We believe the industry is reaching an exciting inflection point, and day-by-day, K12 is working to rise to the challenge. The purpose of this report is to provide a clear-eyed view of our progress, areas where improvement is still needed, and efforts we are making to close the gap.

K12 Inc. (NYSE: LRN) is the nation’s leading provider of technology-powered individualized education solutions for students in pre-kindergarten through high school. K12 empowers states, districts, and schools to offer their students the broadest array of options for learning in a flexible, individualized, and innovative way. K12 provides online curricula, academic services, and online learning solutions to public and private schools and districts, traditional classrooms, blended school programs, and directly to families. K12 offers the most comprehensive array of individualized learning solutions, enabled through an extensive portfolio of online curricula. The K12 family of curricula, which is described in more detail in the following chart, currently includes the following:

- Full-time curriculum for pre-K-12
- Part-time/supplemental online courses for K-12
- World language curricula for grades 3-12
- Credit recovery courses for high school
- Prescriptive learning and remediation for grades K-12
Even broader than the K12 portfolio are the ways in which our curriculum, programs, and services are being used to empower individualized learning across the entire spectrum of online models. As described by Gregg Vanourek and referenced in *Keeping Pace 2012*, three online programs may be defined across numerous criteria or dimensions. For example, online programs may be full-time, meaning students engage completely in online learning for their comprehensive schooling experience, or the online programs may be supplemental programs, allowing students to take one or more online course(s) in addition to their traditional course load. Regarding “where” learning takes place, online schooling programs may be “consumed” by students at home, at school, or through a combination of these. When some degree of online learning, whether full- or part-time, is delivered fully or in part at school or another supervised physical location away from home, with some student control over delivery, pacing, or pathing, this is commonly referred to as “blended learning.”

“Comprehensiveness” and “Location” are just two of the various dimensions by which we can classify online learning programs. Although the permutations of technology-enabled individualized programs are too numerous to name here, the following are some examples of the innovative online learning models making a difference in the lives of students in K12 partner schools across the country.

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<th>Full-Time Programs</th>
<th>Part-Time Programs</th>
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<tr>
<td><strong>Full-Time Online School (Location: Home)</strong></td>
<td><strong>Blended Courses</strong></td>
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<td>A comprehensive program in which students receive all of their instruction online</td>
<td>This model typically includes an on-site facility such as a learning/computer lab</td>
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<td>at home, supported by state-certified teachers.</td>
<td>in a traditional school or at a satellite campus where students can take one or</td>
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<td><strong>Examples:</strong> Most K² Virtual Academies, IQ Academies, Insight Schools,</td>
<td>more online courses in addition to their traditional courses.</td>
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<td>District-run Virtual School Programs</td>
<td><strong>Blended Classroom</strong></td>
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<tr>
<td><strong>Full-Time Blended School (Location: Home/Learning Center)</strong></td>
<td>In this model, a classroom or computer lab can be set up</td>
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<tr>
<td>A comprehensive program in which students receive their primary instruction</td>
<td>to deliver differentiated instruction, using online curriculum for</td>
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<td>online at home and, in part, at a learning center or school-based facility,</td>
<td>supplemental remediation or enrichment as a complement to traditional</td>
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<td>where they benefit from face-to-face teacher support and student interaction.</td>
<td>classroom-based learning for a given course. Online assessments can be used to</td>
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<td><strong>Examples:</strong> Hoosier Academies, Arizona Virtual Academy with YMCA Learning</td>
<td>identify student progress, and deliver targeted prescriptive content</td>
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<td>Centers, YCCS Passport Dropout Recovery Program on a community college campus,</td>
<td>to address skill gaps or deliver advanced material.</td>
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<td>District-run Virtual School Programs with adjunct learning centers</td>
<td><strong>Credit Recovery</strong></td>
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<td><strong>Full-Time FLEX School (Location: Learning Center)</strong></td>
<td>A program that provides schools and districts with a cost-effective and</td>
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<td>A comprehensive program in which students receive their primary instruction</td>
<td>flexible way to help high school students pass courses and receive credits they</td>
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<td>online entirely at a learning center, where they benefit from face-to-face</td>
<td>need to stay on track for graduation. Unit-level assessments measure mastery of</td>
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<td>interaction with teachers and other students.</td>
<td>critical concepts, allowing students to bypass topics they previously mastered,</td>
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<td><strong>K² Flex Academies</strong></td>
<td>so that they can focus on more difficult topics missed the first time around.</td>
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<td><strong>Example:</strong> 18 credit recovery courses by Aventa Learning by K²</td>
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<td><strong>Summer School</strong></td>
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<td>A wide range of options from credit recovery to core courses, world languages</td>
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<td>to electives, may be offered in online or blended settings.</td>
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<td><strong>Example:</strong> K² original credit and credit recovery courses available through</td>
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<td>public and private school partners and directly to families.</td>
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<td><strong>World Language Academy</strong></td>
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<td></td>
<td>Online world language courses can augment schools’ and districts’ language</td>
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<tr>
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<td>portfolios, making it economically feasible to offer new languages or levels to</td>
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<td>even small numbers of students. Availability of certified language instructors</td>
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<td>provides flexible solutions for difficult-to-staff courses.</td>
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<td><strong>Example:</strong> K²’s world language courses and programs provided in</td>
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<tr>
<td></td>
<td>partnership with Middlebury Interactive Languages</td>
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The Full-Time K¹² Program
(“The K¹² Program”)

The K¹² Program embodies an integrated approach that starts with award-winning, best-in-class curriculum and adds hands-on materials and a state-of-the-art learning platform to optimize students’ full-time learning experiences in fully online or blended environments. Around these pieces, we wrap proven educational services and K¹² community programs designed to help students engage and succeed in online learning. In turn, our school partners provide supportive teachers and administrators who are committed to individualizing education for every student. K¹² provides specialized training, tools, and ongoing support for these teachers and administrators. The K¹² Program is continually researched and refined, leveraging best practices gleaned from K¹²’s deployments of full-time schooling programs in more than two-thirds of the states. It’s an approach and a formula that’s been tested and refined across hundreds of thousands of students, and we look forward to continuing to optimize the K¹² Program for all types of students and all types of online learning models.

Curriculum

The K¹² curriculum is rooted in extensive research about how children learn, along with best teaching practices, and provides students access to innovative technology and engaging content and interactivity, including animations, interactive games, video, and text. In the lower grades, we also carefully integrate the online experience with hands-on materials. Subject matter is carefully sequenced from one grade to the next, so that students build new knowledge on the strong foundations of what they’ve already learned. A single course often takes the K¹² team a full year or more to develop.

The K¹² Program starts with award-winning, best-in-class curriculum and adds hands-on materials and a state-of-the-art learning platform.

The result is a rigorous curriculum portfolio considered the “gold standard” in online learning, with nearly 700 courses and titles and tens of thousands of online lessons, enhanced by a vast number of engaging multimedia components, including Discovery® videos.

The core principles behind K¹² courses include the following:

- **Cognitive Science:** K¹² bases its curriculum on a deep understanding of how students learn in order to optimize student engagement. Based on that understanding, the K¹² curriculum is built around what students need
to know in any given discipline: the “Big Ideas,” or core underlying concepts within each subject that are essential for mastery. These ideas are later reinforced through more sophisticated lessons, so that every lesson builds on prior learning. Practice helps cement the learning process.

For example, waves are a core idea in science and a key to understanding modern physics. We introduce the “Big Idea” of waves as early as fourth grade, in the study of oceans and sound. We build on this early introduction, grade by grade, so that, by the time students take a high school physics course, the complex wave concepts of quantum mechanics are much more accessible.

Our approach unlocks mastery for students across the whole learning spectrum.

This proven approach can be summarized by the following formula: Big Ideas + Consecutive Down Payments + Practice = Content Mastery. We believe mastery should be possible for all kinds of children (not just gifted ones), and our approach unlocks mastery for students across the whole learning spectrum, helping advanced students move swiftly ahead while allowing struggling students to pause and practice more before moving on.

• Standardized Content: Since inception, K¹² has built its core courses in English Language Arts (ELA), Mathematics, Science, and History on a foundation of rigorous standards, while closely following the guidance for “must-have” content formulated by the Core Knowledge Foundation. For this reason, the K¹² curriculum was already well positioned to satisfy the requirements of the Common Core State Standards (CCSS) when they were published in June 2010. Since then, existing courses have been modified to fully align to CCSS, and new courses have been built with full alignment to standards.

National assessments reflecting the CCSS are now being prepared by two national consortia: the Smarter Balanced Assessment Consortium (SBAC) and the Partnership for Assessment of Readiness for College and Careers (PARCC). Their current plans call for the rollout of these high-stakes assessments in the 2014–2015 school year. Sample assessment items released by the consortia in 2012 show exemplary sophistication through the use of built-in adaptivity, interactivity, and staged or scaffolded internal progression within a single question. K¹² is well positioned to prepare students for such assessment items, because the digital interactive assets and activities within our lessons for the past 10 years have used interactive structures similar to those now seen in the sample items.

• Interactive Lessons: The power of interactivity is one of the greatest advantages of a technology-driven education, and K¹² uses interactivity to engage students’ minds and to help develop curiosity, subject mastery, and a passion for learning.

K¹² uses interactivity to engage students’ minds and to help develop curiosity, subject mastery, and a passion for learning.
We use engaging, interactive content to illustrate and explain concepts when a printed page is too one-dimensional, and use printed or hands-on materials when they are instructionally most appropriate. Lessons and courses are created by a team of more than 140 curriculum developers and interactive experts who employ best practices for online instruction, including animations, games, video, and effective online design.

We also seek to help pioneer educational technologies, such as adaptive learning, which adjusts to each student’s unique needs, tying assessment to intelligent content delivery in real time. Our Math+ series for grades K–5 features adaptive activities designed to help each student master concepts and skills before moving on. Math+ is also packed with engaging graphics, learning tools, and games.

Our high school science courses include realistic virtual labs that emulate almost every aspect of real-world labs and the scientific method of trial, error, and discovery. An interactive periodic table in Chemistry becomes a gateway to more in-depth information, turning a dry topic into dynamic exploration. Many high-level courses include interactive “concept maps” that serve as useful outlines and a means to regularly check knowledge and progress.

**Hands-On Materials**

In grades K–8 (and in some cases in high school), online lessons are integrated with a variety of hands-on materials including specially designed textbooks and workbooks, classic literature, CDs, microscopes, seeds, magnets, paints and clay, and so much more. This mix of online and hands-on materials caters to multiple learning styles and enables us to use the most effective ways to teach different concepts. A substantial amount of learning, especially by the youngest children, takes place away from the computer. In higher grades, K12 is moving more toward digital materials, such as e-books and our innovative virtual science labs that help prepare 21st-century students for 21st-century workplaces.

**Online School**

Students and parents can access our Online School (OLS) at any time—and from anywhere in the world, wherever an Internet connection exists. Students use the Online School to access their daily lessons, which include all the information and resources required for successful completion. Students can also:

- Submit their assignments directly online
- Monitor their lesson completion against expected progress
- Participate in live, teacher-led web classes and interactive discussions
- Connect with their teachers, and reach out for extra help whenever needed
- Experience our many online clubs and virtual field trips

Students and parents can access our Online School (OLS) at any time—and from anywhere in the world, wherever an Internet connection exists.

Built-in planning and progress tools allow parents to easily schedule or view lessons online, log attendance, monitor student progress, and interact with teachers. A progress dashboard shows which lessons have been completed, and which ones require more work.
Today, K¹²’s curriculum and services are being used in full-time online schools, blended schools, traditional classrooms, pre-kindergarten classrooms, and home school environments. Specifically, the K¹² Program is offered through K¹² partner public schools in more than two-thirds of the states and the District of Columbia, and through private schools serving students in all 50 states and 85 countries. We are now serving more than 110,000 full-time students in public schools managed by K¹² in 33 states and the District of Columbia, which equates to more than one million online semester courses that will be delivered over the 2012–2013 school year.⁵

Public Schools

K¹²’s full-time public school partners are all tuition-free schools where learning takes place at least in part at home, but unlike homeschooling, teachers guide the instruction, and students adhere to the same state testing, school accountability, and attendance policies of traditional brick-and-mortar public schools. K¹²’s full-time public school partners are all non-profit schools, operated by public school districts or independent 501(c)3 boards, where K¹² is under contract to provide products (e.g., curriculum) and/or services to the school. These schools offer either fully online or blended learning programs, and offer such programs to students on a statewide or regional/local basis. These full-time public schools fall into the following categories:

- **Statewide Managed Schools:** Most of these schools offer fully online programs, though some offer elements of the blended model with opportunities for face-to-face learning. Most of the K¹² Virtual Academies, Insight Schools, and iQ Academies fall into this statewide category.

- **Regional or Local Schools:** These schools primarily serve students from a regional or local area, due to the school’s affiliation with a local school district and/or the availability of face-to-face learning opportunities that require geographic proximity to learning centers. Examples of these types of schools include the following:

  - **District-Run Partner Schools:** K¹² works with many school districts to offer full-time online schooling programs that use K¹² curricula and technology, along with consultation and support. School districts may use K¹²’s suite of integrated services or may add their own set of supporting features and services for students. These programs may encompass K-12, or only certain grade levels, and may offer unique programs of study, such as STEM (Science, Technology, Engineering, and Mathematics). These programs may be fully online or blended, leveraging district facilities to offer face-to-face learning opportunities.

  - **Blended Learning Schools:** These schools have physical facilities, or learning centers, where students come together face-to-face to participate in the learning process. The split of time between home and learning center varies by school. The K¹² Flex Academies are blended learning schools that offer the K¹² online program in a brick-and-mortar setting. In K¹² Flex Academies, students receive the powerful combination of a fully individualized online education with on-site teacher support.

K¹²’s curriculum and services are being used in full-time online schools, blended schools, traditional classrooms, pre-kindergarten classrooms, and home school environments.

⁵ Company’s Form 10-Q for the quarter ended December 31, 2012 as filed with the Securities and Exchange Commission.
Private Schools

In addition to full-time public school programs, K¹² also offers its own **full-time private school options** that allow us to serve students in locations where an online public school is not yet available. Currently, students across the United States and in more than 80 countries worldwide attend one of K¹²’s three online private partner schools:

- **The K¹² International Academy**, meeting the diverse needs of students in more than 80 countries who have a full range of post-secondary goals

- **The Keystone School**, a pioneer in implementing distance learning nearly 40 years ago, provides flexible format options

- **The George Washington University Online High School**, one of the nation’s premier online high schools—a unique partnership between the renowned George Washington University and K¹² that offers a selective college preparatory program.

In the United States, these private schools serve students using a fully online program. In some non-U.S. locations throughout the world, K¹² International Academy offers opportunities for blended learning at local learning centers and/or partners’ brick-and-mortar facilities.

Currently, students across the United States and in more than 80 countries worldwide attend one of K¹²’s three online private partner schools.

K¹²-Managed Public Schools

Many of our public school partners establish an extensive relationship with K¹² to provide not only curriculum, technology, services, and support but also program management and oversight of students’ end-to-end academic experience to ensure the online learning program is operated in the manner in which it was designed. In contrast, in district-run partner schools using K¹²’s online curriculum, technology, and services, the districts oversee management of the online program and students’ end-to-end academic experience. The results included in this report will primarily focus on K¹²-managed public schools, where we enjoy the privilege and responsibility of overseeing the students’ entire academic experience under the guidance and authority of each school’s non-profit board or district leadership. All of the K¹²-managed public schools are schools of choice, meaning that no students are required to attend these schools and that all parents proactively choose to enroll their students in the schools.
“Maybe I Am Smart!”
It took years for the Taylor family to finally find a school that could work for their son, Billy, who struggled with a learning disability. After a string of disappointing public and private schools, it was actually Billy himself who finally found the right school when they relocated from Minnesota to Oregon in 2010.

“Billy struggles with reading and writing and has a severe challenge spelling,” said Bill Taylor. “When he was finally diagnosed as a special education student, it was too late—he had given up on education, teachers, school, and his peers who harass kids like Billy.”

During their move to Oregon, Billy mentioned to his parents that he had learned about K12 from advertisements and said he would like to try online education. “Billy opened up to us during the trip and finally told us everything—more than we knew—about the harassment at school,” said Bill. “We were skeptical of online education, so we investigated it. We really liked the program and discovered it was rigorous. We knew we had the time and ability to do it…Billy really talked us into it,” he laughed.

When the Taylors researched Oregon Virtual Academy (ORVA), they thought it would be a good fit to help Billy overcome his disabilities. They were right. Billy completed fifth grade, and for the first time in his life, he passed a state test.

“When he does the work, his confidence grows, and he knows he can do it but has to work hard.”

“It’s a cascade in reverse,” explained Bill. “He was at such a low point because nothing was going right, and now he realizes he can do the work…it’s moments when he said to me, ‘Maybe I am smart’ and ‘thanks for not giving up on me’ that reinforce that you have to be an advocate for your child, and find the right school that works for him.”

Now in eighth grade, Billy has consistently met or exceeded yearly assessment tests over the years, especially in reading where he has the most difficulty. “We have seen a tremendous improvement in his reading level scores, which are now so much higher than when he was in school in Minnesota. In fact, he is reading above grade level,” said Bill.

A former teacher and strong advocate of public education, Bill noted that the ORVA public school education is rigorous, but Billy can take his time on subjects he struggles with until he masters the lessons. “When he does the work, his confidence grows, and he knows he can do it but has to work hard. Plus, his attitude has changed, and he has a new friend he met when we attended a school picnic.

“When you see it all come together after being at such a low point and desperate, it’s a tremendous feeling. Now, Billy is looking forward to high school at ORVA,” said Bill.
How K12 Is Realizing the Opportunities in Online-Enabled, Individualized Learning
K12 has a singular focus: to allow any child, anywhere, to enjoy a high-quality, individualized education, thus enabling every student to reach his or her true, personal potential regardless of geographic location or economic circumstances.

As public schools of choice, K12-managed public schools enroll students from a diverse range of backgrounds. Online public schools are indeed the most “public” of all public schools, because they are open to all children, regardless of background. Often online public schools are the only other choice a parent has when the local public school isn’t working for his or her child. In contrast, many highly ranked school systems, located in upscale neighborhoods, are “public” in name only, as merely a small fraction of families in the United States can afford to buy homes in these neighborhoods.

Because online classrooms are not limited by geography, students from remote rural areas of the state, students from the suburbs, and students living in the inner city come together in the same online classrooms, transcending every boundary of geography and socioeconomic status.

K12 families share the desire for individualized instruction that maximizes their children’s potential, but are otherwise very diverse. Examples of the types of students K12 attracts include, but are not limited to, the following:

- students whose needs aren’t met in a “one-size-fits-all” traditional classroom due to different paces and styles of learning;
- students from families with safety and social concerns about their local school;
- students with health concerns or disabilities who are underserved in traditional classrooms;
- students with geographic or travel constraints, and
- student athletes and performers who are not able to attend regularly scheduled classes.

K12 and its charter school and school district partners are realizing many of the opportunities offered by online-enabled, individualized learning within K12-managed public schools, including the following:

- Offering a first-class education to students from a diverse range of backgrounds, drawing largely from public school populations and serving a growing proportion of economically disadvantaged students.
- Providing personalized, differentiated learning with Individualized Learning Plans for every student.
- Attracting, recruiting, and training qualified, certified teachers—more than 4,000 in all—and making their expertise available even to geographic areas that otherwise might have trouble attracting teachers.
- Improving measurement and accountability by making mastery of subjects the true measure of success for children—and the strongest basis for ensuring accountability on the part of educators.

**Offering Any Child a High-Quality Education, Regardless of Geographic Location or Economic Circumstances**
Our individualized learning approach allows students to optimize their academic performance and, therefore, their chances of achieving their goals.

The $K^{12}$ student population has evolved in many ways over the years as interest in and acceptance of individualized online education have grown. Based on annual enrollment survey data, we know most new $K^{12}$-managed public school students come from a traditional public school setting and were not schooled at home before enrolling. $K^{12}$-managed public schools serve the entire spectrum of students, including gifted students and special education students across all disability categories.

Surveys of parents conducted by the $K^{12}$ research team in the spring of 2012 indicate that parents enroll their children in $K^{12}$-managed public schools for many reasons. The top reason cited by parents is the flexible pacing and scheduling enabled by these schools—reflecting our commitment to individualized education. Also highly cited were the quality of the $K^{12}$ curriculum, the highly qualified teachers in the schools, and the free tuition.

### Reasons Cited by Parents for Choosing a $K^{12}$-Managed Public School

#### Top 10 Reasons K-8 Virtual Academy Parents* Select $K^{12}$-Managed Public School

<table>
<thead>
<tr>
<th>Reason</th>
<th>Score</th>
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<tbody>
<tr>
<td>Flexible scheduling/pacing</td>
<td>90%</td>
</tr>
<tr>
<td>Meets state standards</td>
<td>87%</td>
</tr>
<tr>
<td>Quality of curriculum</td>
<td>85%</td>
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<tr>
<td>Be more involved in child’s education</td>
<td>80%</td>
</tr>
<tr>
<td>Concerned about environment</td>
<td>78%</td>
</tr>
<tr>
<td>Free tuition</td>
<td>76%</td>
</tr>
<tr>
<td>Research-based, rigorous</td>
<td>76%</td>
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<tr>
<td>Dissatisfied w/ prior instruction</td>
<td>54%</td>
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<tr>
<td>Needed help &amp; structure as a homeschooler</td>
<td>37%</td>
</tr>
<tr>
<td>Good way for student to catch up</td>
<td>33%</td>
</tr>
</tbody>
</table>

Top 2 Box *scores on a 1-5 scale where 1 is “does not describe at all” and 5 is “describes perfectly.”

* Source: Spring 2012 Satisfaction Surveys with Virtual Academy K-8 parents. (n=5,201)

#### Top 10 Reasons HS Parents* Select $K^{12}$-Managed Public School

<table>
<thead>
<tr>
<th>Reason</th>
<th>Score</th>
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</thead>
<tbody>
<tr>
<td>Flexible scheduling/pacing</td>
<td>90%</td>
</tr>
<tr>
<td>Free tuition</td>
<td>86%</td>
</tr>
<tr>
<td>Public school w/ state backing</td>
<td>83%</td>
</tr>
<tr>
<td>Highly qualified teachers</td>
<td>82%</td>
</tr>
<tr>
<td>Ability to customize program</td>
<td>80%</td>
</tr>
<tr>
<td>Quality of curriculum</td>
<td>78%</td>
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<tr>
<td>Variety of course levels available</td>
<td>70%</td>
</tr>
<tr>
<td>Reputation of [School name]</td>
<td>68%</td>
</tr>
<tr>
<td>Variety of electives available</td>
<td>64%</td>
</tr>
<tr>
<td>Good way for student to catch up</td>
<td>54%</td>
</tr>
</tbody>
</table>

Top 2 Box *scores on a 1–5 scale where 1 is “does not describe at all” and 5 is “describes perfectly.”

* Source: Spring 2012 Satisfaction Surveys with HS parents from Virtual Academy, IQ Academy, and Insight Schools, and 91 students in grades 6–8 in Insight and IQ Academy Schools. Total K12 HS percentages are weighted averages of 3 surveys based on HS parent population proportions as of May 2012. (n=3,973)
Grade Distribution: High School Has the Highest Concentration of Students

As of Fall 2012, High School (grades 9–12) comprises the largest sub-segment of K\textsuperscript{12}-managed public school students (37% of total student population), followed by Elementary (grades K–5, 33%), and, finally, Middle School (grades 6–8, 30%). This distribution represents a change over time, as the first K\textsuperscript{12}-managed public schools opened in the 2001–2002 school year with only grades K–2 and expanded to higher grades in the following years. The K\textsuperscript{12}-managed public schools graduated their first senior class in 2007. High School is now the largest and the fastest growing of the sub-segments, which is significant because, as noted in later sections, many high school students enroll academically behind grade level and with insufficient credits, leaving limited time to “catch up” to achieve an on-time graduation.

Grade Distribution of K\textsuperscript{12}-Managed Public School Students, Fall 2012
Student Race: A More Diverse Population

More students from minority backgrounds are enrolling in K12-managed public schools than in earlier years. Although African American enrollment roughly mirrors that of the general public school population, Hispanic and Asian students remain underrepresented.

Previous Schooling: Drawing from the Public Schools

The majority of students (grades 1-12) enrolling in K12-managed public schools come directly from traditional (brick-and-mortar) public schools.

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### Racial Composition of K12-Managed Public School Students, Fall 2012

- **African American/Black**: 2.2%
- **American Indian/Alaskan Native**: 6.1%
- **Asian/Pacific Islander**: 3.1%
- **Hispanic**: 15%
- **Multi-racial**: 1.3%
- **White**: 72.3%

Based on 122,452 students in grades K-12

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### Prior Year Schooling of K12-Managed Public School Students, Fall 2012

- **Public School**: 68.7%
- **Homeschool**: 13.6%
- **Other/Not in School**: 11.7%
- **Private School**: 6.0%

Based on 116,866 students in grades 1-12

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2013 K12 Academic Report
Household Income: Serving More Economically Disadvantaged Students

Since the 2009–2010 school year, K12-managed public schools have experienced an increase in the number of economically disadvantaged students enrolling in the schools. In the public school system, students qualifying for free and reduced-price lunches are considered economically disadvantaged. The following chart shows the percentage of students eligible for free and reduced-price lunches in the largest K12-managed public schools for the last four school years. These nine schools comprise 67% of the enrollment for all K12-managed public schools as of December 2012. The U.S. Department of Education reports that, in the 2010–11 school year, the national average of students qualifying for free and reduced-price lunches was 48%.6

Since K12-managed public schools do not actually provide lunches to students, parents may believe that there is no tangible benefit in providing the school with their income information. For this reason, the percentage of students qualifying for free and reduced-price lunches in the schools may be under-reported.

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**Percent of Students Qualifying for Free/Reduced-Price Lunches in the Largest K12-Managed Public Schools**

Students with Disabilities: Growing Faster than National Average

Online public schools are no different from traditional public schools in their requirement to serve students with disabilities. K12-managed public schools have seen an increase in the number of enrolled students with disabilities since the 2009–2010 school year, and currently serve more than 10,000 students with disabilities. The overall percentage of students with disabilities in K12-managed public schools is slightly lower than the national average (12% across the largest K12-managed public schools for the 2012–2013 school year compared with approximately 14% nationwide), but in many of the K12-managed public schools, the rate has been increasing faster than the national average, which suggests that there is growing acceptance of the ability of online schools to meet the needs of students with disabilities. The following chart shows the percentage of students with disabilities served in the largest K12-managed public schools over the past four school years. These nine schools comprise 67% of the enrollment for all K12-managed public schools as of December 2012.

Percent of Students with Disabilities in the Largest K12-Managed Public Schools

![Chart showing the percentage of students with disabilities in the largest K12-managed public schools from 2009-10 to 2012-13.](image-url)
Students with disabilities in K12-managed public schools are more likely to be classified as autistic, emotionally disturbed, or “other health impaired,” which includes ADD and AD/HD, and less likely to be classified as having a speech or language impairment, when compared to the overall public school population of students with disabilities.7

Students with disabilities who enroll in K12-managed public schools are served in accordance with applicable federal and state regulations, including Section 504 of the Rehabilitation Act of 1973, the Individuals with Disabilities Educational Act and subsequent amendments, and the Americans with Disabilities Amendment Act. A free and appropriate education is provided to students with disabilities in accordance with their Individualized Education Programs (IEPs).

Disabilities Amendment Act. A free and appropriate education is provided to students with disabilities in accordance with their Individualized Education Programs (IEPs). K12-managed public schools offer necessary accommodations by procuring the technology and other services required in the student’s IEP to aid the student in navigating through his or her courses. Further, K12’s experience making web-based content more accessible to students with disabilities includes incorporating audio and video enhancements into the courses and using comparable alternatives to accommodate various disabilities, such as using text equivalents and various forms of assistive technology. All materials also meet the requirements of the National Instructional Materials Accessibility Standards (NIMAS).

K12 believes that it takes a complete team of professionals to serve a student with a disability to ensure academic success. Thus, frequent and relevant synchronous and asynchronous communication between all parties, including the student, parent, general education teacher, special education teacher, and related service providers, is achieved through phone conferencing, notes, e-mails, and web conferencing tools.

Providing customized learning experiences, differentiated according to individual needs, not to a few but at scale

K12’s guiding principle is to teach the individual, not the masses. Although most schools have personalized programs for students with special needs, very few would consider differentiated approaches for every student. Yet the Individualized Learning Plan (ILP), based on each student’s background, previous education, abilities, and aspirations, is an integral element of the K12-managed public school program.

The development of the ILP is a collaborative team process. Typically, the key people—the student, parents, teachers, advisors, and counselors (in higher grades)—are involved. Often led by the teacher, the team creates a unique plan for each child, designed to organize and properly sequence a student’s coursework while articulating his or her academic strengths and challenges. For high school students, the ILP expands beyond academic objectives to include post-secondary goals for college and/or a career.

A crucial element of the ILP is the unique assessment testing administered in K12-managed public schools. Students are given age-appropriate assessments at the start of the school year.

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year to identify strengths and challenges. These assessments include, but are not limited to, the Scantron Performance Series tests in reading and math, the Dynamic Indicators of Basic Early Literacy Skills (DIBELS), K12 proprietary assessments, and other third-party products. In the high school grades, other indicators may be used, including student transcripts, SAT/ACT scores, prior state test scores, and end-of-course (EOC) exams. ILP goals ensure that students focus not only on the areas in which they have learning deficits, to bring the students up to grade level in those areas, but also on the areas in which they are already strong and may want to deepen their knowledge. The schools include, but go beyond, state testing, with a focus on fine-tuning exactly what each child needs. Ongoing testing is administered, as needed, to ensure each child is making progress toward goals.

ILP goals ensure that students focus not only on the areas in which they have learning deficits, but also on the areas in which they may want to deepen their knowledge.

Making excellent teaching available to any school and any child—regardless of geographic location

The challenge of finding and retaining qualified teachers is a real one for much of America, but it is especially acute for inner-city and rural schools. According to the American Association of School Administrators, 41% of districts with fewer than 250 students found it difficult to attract teachers, and 17% found it hard to retain them. Individualized online learning offers a solution to that challenge.

Today, K12-managed public schools boast more than 4,000 K12-trained full- and part-time teachers.

Unlike a traditional school, teachers in K12-managed public schools do most of their work remotely, rather than in the classroom—making location irrelevant and ensuring the availability of their expertise to geographic areas that otherwise might have trouble attracting certified and highly-qualified teachers. Today, K12-managed public schools boast more than 4,000 K12-trained full- and part-time teachers. Like their counterparts in traditional schools, state-certified teachers in K12-managed public schools are involved in all facets of the instructional experience. Teachers establish ILPs, monitor progress and attendance, provide direct instruction and targeted intervention when needed, review and grade student work, and answer questions posed by students and learning coaches.

http://blogs.edweek.org/edweek/walt_gardners_reality_check/2012/07/a_closer_look_at_the_teacher_shortage.html
The flexibility accorded by the online medium, along with ongoing assessment, allows instruction to be far more individualized, and, in particular, enables teachers to intervene effectively when students are struggling.

The quality of teaching at K12 partner schools is underscored by surveys showing that 91% of K12–managed public school parents are satisfied with their child’s K12 teacher(s).9

**Improving measurement and accountability**

The true measure of success for children—and the strongest basis for ensuring accountability on the part of educators—is mastery of subject matter. Individualized online learning is well suited to measure whether a young person has truly achieved learning objectives and to allow him or her to progress to subsequent goals only as mastery is demonstrated.

Unlike other online curriculum providers, K12 thoroughly establishes expectations and holds students accountable for these learning objectives. The major focus in lower grades is on a mastery-based approach to skills and knowledge. In upper grades, we use a more traditional grading system.

Most important, assessment is a critical aspect of our individualized approach: Instead of driving “teaching to the test,” as is increasingly the case with most assessment methodologies applied in public school systems, assessment in the K12 Program is designed to enable teachers and parents to know how much progress a child is actually making and thus to enhance learning.

**Delivering more for less**

Online education provides an extraordinary opportunity to resolve a major challenge facing all public schools: to deliver more services and better outcomes at equal or lower costs for taxpayers. Online schools offer the opportunity to make students and teachers more productive while reducing the need for expensive brick-and-mortar facilities.

On average, public schools managed by K12 deliver a quality education for approximately 60% of the average spent per student nationally in traditional public schools. We expect these efficiencies will be even more pronounced with the implementation of the Common Core standards, as limited resources will no longer have to be spent on revising curriculum standards for every state, and can, therefore, be repurposed to invest in even more innovative products and remediation technologies.

On average, public schools managed by K12 deliver a quality education for approximately 60% of the average spent per student nationally in traditional public schools.

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9 Top 3 Box scores on a 1–7 scale where 1 is very dissatisfied and 7 is very satisfied. Source: Spring 2012 Satisfaction Surveys with Virtual Academies K–8 and high school parents, iQ K–8/high school parents, and Insight Schools high school parents. Total K12 K–12 percentages are weighted averages of all four surveys based on parent population proportions as of May 2012.
“You could say that Agora saved my daughter’s life.”
“My daughter Alexis was having problems in school. They tested her to see if she could get the extra help she needed for reading, and because she was 2 points above [remedial level], they wouldn’t give her the help.

“She was getting bullied because the kids found out she couldn’t read well. They would call her names and push her down. I went to the school to deal with this, but nothing was done. The next day, my daughter came home crying with her pants ripped and a gash in her knee. That was the last straw.

“A friend of my mother had told her how well his kids were doing in school with Agora/K12. It took me no time to look it over and get Alexis started the following year. When we enrolled, I told them what was going on with her reading. The teachers at Agora saw right away that she needed help and made sure they addressed it.

“She is still behind a little bit but is improving so much. She went from F’s in her old school to A’s and B’s with Agora in half a school year.

“You could say that Agora saved my daughter’s life. She loves to get up for school now. Before, I would have to put her on the bus kicking and screaming.

“I decided to put my son Drew in Agora, too. He does very well in all of his subjects and loves that the teachers make it really fun to learn.

“My kids get everything they need from Agora. It has been working wonders for them. I love the teachers because they take time for all of the kids. They make sure to get them the help they need.

“My hope for both of my kids is to be all they can be, and Agora is helping them get there. Agora really does put the kids first.”
The Challenges Facing Online Schools
Highlights:

As K12 leads the transformation to individualized learning, we are working to develop awareness of and solutions for the critical challenges facing online learning, including the following:

- A growing academically at-risk population, defined as students who are one or more year(s) behind grade level, with up to 50% to 70% of students in K12-managed public schools in this category upon enrollment;

- High transience and mobility, as a large percentage of students in K12-managed public schools are in their first or second year of enrollment in the schools;

- Appropriate measurement, as the “snapshot in time” view of proficiency is not an accurate reflection of the academic growth of a child, and the relative assessment of student growth using criterion-referenced tests (CRTs) is problematic, especially in the individualized learning context.

A Growing Academically At-Risk Population

**Academic Performance Before Enrolling in a K12-Managed Public School:** A growing number of students enrolling in K12-managed public schools are identified as academically at-risk, meaning that they are one or more year(s) behind grade level. It is not surprising that many incoming students are behind grade level, as we saw in the school year 2012-2013 enrollment survey that 54% of high school parents and 33% of K-8 parents view this school option as a good choice for their students to “catch up.”

Because state data systems and processes have often not caught up to the increased mobility of students nationwide, in the vast majority of states where we manage schools, there is no centralized process to obtain prior achievement data for new students. The “old school” method of faxing a “records request” to the previous school and then waiting to receive copies of student paperwork in the mail containing report cards, transcripts, and test scores is still the primary method used by schools across the country to obtain vital information about a student’s academic history when a student transfers from one public school to another. For schools with large numbers of new students each year, this process is onerous, and can cause a delay in identifying academically at-risk students in their new school settings.

For this report, K12 has approached the issue of the incoming student performance in two ways. The first is to look at the prior year test scores of incoming students, to determine what percentage of students were deemed “Not Proficient” before enrolling in a K12-managed public school. As measured by a state’s standardized accountability test, a student scoring “Not Proficient” is assumed to be below grade level. The data for a sampling of K12-managed public schools are shown in the following table. The pattern is
clear—large percentages of incoming (new) students in the 2011–2012 school year, especially older incoming students, were categorized as “Not Proficient” on state tests in the 2010–2011 school year. These data also draw attention to the fact that student performance is not just an issue for the K12-managed schools but also for the states at large, although in the majority of cases, the average of K12 incoming students is actually more than five points below the average in their respective state as shown in the following table—a phenomenon referred to as the “proficiency gap.”

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**“The Proficiency Gap”**

Percentage of New Students in K12-Managed Public Schools in Fall 2011 Scoring “Not Proficient” on State Exams in Spring 2011 Compared to State Averages

<table>
<thead>
<tr>
<th></th>
<th>Grades 4–5</th>
<th>Grades 6–8</th>
<th>Grades 9–12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Math</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colorado Virtual Academy n=1073</td>
<td>31%</td>
<td>51%</td>
<td>73%</td>
</tr>
<tr>
<td>Colorado Statewide n=415429</td>
<td>32%</td>
<td>45%</td>
<td>63%</td>
</tr>
<tr>
<td>Diff</td>
<td>-1 pt</td>
<td>+6 pts</td>
<td>+10 pts</td>
</tr>
<tr>
<td>Arizona Virtual Academy n=2680</td>
<td>38%</td>
<td>49%</td>
<td>64%</td>
</tr>
<tr>
<td>Arizona Statewide n=491649</td>
<td>30%</td>
<td>44%</td>
<td>73%</td>
</tr>
<tr>
<td>Diff</td>
<td>-1 pt</td>
<td>+5 pts</td>
<td>-9 pts</td>
</tr>
<tr>
<td>Oklahoma Virtual Academy n=975</td>
<td>35%</td>
<td>42%</td>
<td>41%</td>
</tr>
<tr>
<td>Oklahoma Statewide n=243447</td>
<td>33%</td>
<td>35%</td>
<td>31%</td>
</tr>
<tr>
<td>Diff</td>
<td>+2 pts</td>
<td>+7 pts</td>
<td>+10 pts</td>
</tr>
<tr>
<td>Texas Virtual Academy n=2752</td>
<td>30%</td>
<td>36%</td>
<td>46%</td>
</tr>
<tr>
<td>Texas Statewide n=2561422</td>
<td>13%</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Diff</td>
<td>+7 pts</td>
<td>+17 pts</td>
<td>+24 pts</td>
</tr>
<tr>
<td><strong>Reading</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colorado Virtual Academy n=1102</td>
<td>29%</td>
<td>34%</td>
<td>42%</td>
</tr>
<tr>
<td>Colorado Statewide n=415274</td>
<td>31%</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td>Diff</td>
<td>-2 pts</td>
<td>+5 pts</td>
<td>+12 pts</td>
</tr>
<tr>
<td>Arizona Virtual Academy n=2542</td>
<td>24%</td>
<td>18%</td>
<td>31%</td>
</tr>
<tr>
<td>Arizona Statewide n=486447</td>
<td>28%</td>
<td>24%</td>
<td>55%</td>
</tr>
<tr>
<td>Diff</td>
<td>-4 pts</td>
<td>-6 pts</td>
<td>-24 pts</td>
</tr>
<tr>
<td>Oklahoma Virtual Academy n=874</td>
<td>24%</td>
<td>32%</td>
<td>29%</td>
</tr>
<tr>
<td>Oklahoma Statewide n=247504</td>
<td>35%</td>
<td>33%</td>
<td>16%</td>
</tr>
<tr>
<td>Diff</td>
<td>-11 pts</td>
<td>-1 pt</td>
<td>+13 pts</td>
</tr>
<tr>
<td>Texas Virtual Academy n=2755</td>
<td>19%</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>Texas Statewide n=2563932</td>
<td>15%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Diff</td>
<td>+4 pts</td>
<td>+6 pts</td>
<td>+12 pts</td>
</tr>
</tbody>
</table>
Because prior year state test score data are not available for all students, either because the new school had difficulty obtaining the information from the prior school or because the student was not enrolled in a public school in the given state in the prior year, another way that K12 has approached looking at the incoming academic achievement of students is through a sophisticated equating exercise. In three of K12’s largest statewide partner schools mentioned below, K12 worked with a third-party research firm to equate Scantron Performance Series test scores with scores on the state tests. From this equating, we were able to determine what a student would need to score on the Scantron Performance Series test to be reasonably certain that the student would score “Proficient” on the state test for his or her grade in either Reading or Math. The number of points needed for a student to maintain “Proficiency” from one grade level to the next in a subject area is the expected annual gain.

Lastly, using a student’s fall Scantron scores, we were able to determine how much growth a student would need to realize to score “Proficient” on the state exam in the spring.

K12 was able to determine that the majority of new students in the Ohio Virtual Academy, the Agora Cyber Charter School (Pennsylvania), and the California Virtual Academies would have to make two or more times the expected annual gain during the school year to be deemed “Proficient” on the spring administration of the state standardized tests. Based on these findings, it is reasonable to assert that between 50% and 70% of these students were not academically “Proficient,” or at grade level, before enrolling in the K12-managed public school.

The following charts demonstrate the findings from the equating study for the 2011-2012 school year:

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**Annual Gain* Required by New OHVA Students in SY2011-2012 to be "Proficient" in Math on the Ohio Achievement Assessments (OAAs) in Spring 2012**

<table>
<thead>
<tr>
<th>Grade</th>
<th>0%</th>
<th>20%</th>
<th>40%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>4th</td>
<td>24%</td>
<td>21%</td>
<td>29%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5th</td>
<td>32%</td>
<td>25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6th</td>
<td></td>
<td>26%</td>
<td>66%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7th</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8th</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>27%</td>
</tr>
</tbody>
</table>

*Annual gain is the academic gain a student must make during the school year to remain at the “Proficient” level from one grade level to the next.
Annual Gain* Required by New Agora Students in SY2011-2012 to be "Proficient" in Math on the Pennsylvania System of School Assessment (PSSA) in Spring 2012

Annual Gain* Required by New CAVA Students in SY2011-2012 to be "Proficient" in Math on the California Standards Tests (CSTs) in Spring 2012

*Annual gain is the academic gain a student must make during the school year to remain at the "Proficient" level from one grade level to the next.
Limited data are available on how schools perform nationally on “catching up” students who are behind academically, but a recent study by Mathematica Policy Research and the Center on Reinventing Public Education indicates schools managed by the highest-performing Charter Management Organizations appear to be producing three years of growth in two years, or an average of one and a half years of growth per year. However, even at that rate, the task of catching up is daunting. For example, the following graphic depicts the plight of “Jason.” Starting in first grade, Jason managed to learn at a rate of only 0.7 years of growth per school year. In any given year, this slower rate of growth may not seem devastating. However, by the end of 7th grade, Jason is performing only at the 5th-grade level—two years below grade level. If Jason changes schools at the start of his 8th-grade year, joining, for example, a K12-managed public school, and begins to gain the equivalent of 1.5 years of growth per school year (more than double his prior rate of learning), Jason will still not be performing at grade level until the end of his 11th-grade year, a full four years later.

“The task of catching up is daunting.”

Transience and Mobility

To date, online public schools have tended to experience significant mobility among students, an issue also affecting K12-managed public schools. We believe that a large percentage of student mobility can be explained by parents who are looking for a temporary education solution for their children.

As illustrated in the following chart, of parents enrolled as of October 2012 who stated in their enrollment survey that they had an idea of how long they would keep their children enrolled in a K12-managed public school, almost a third indicated that they intended to keep their children enrolled for one year or less, while more than half indicated they intended to keep their students enrolled for two or fewer years.

These expectations, along with the continued rapid growth of students, are borne out in actual tenure in K12-managed public schools, where more than 80% of students across all grades are in their first or second years with the school as of Fall 2012.

There is significance to these figures. Experience in brick-and-mortar schools indicates that children need time to adjust to a new school environment. This is likely to be the case for the transition from brick-and-mortar to virtual schools as well. Moreover, it is clearly more difficult for K12 to help young people with remediation if they are with us for only a limited period.

Appropriate Measurement: The question of school assessment and standardized testing in general has been a contentious one for some time for all public schools. The rapid growth, high mobility, and large proportions of academically at-risk students in online public schools make tools commonly used to measure school and student performance especially problematic. Students enter K12-managed public schools at highly varied starting points and have very different learning environments and educational values.

For these reasons, several types of tests currently in use are largely inadequate in assessing and comparing online schools and traditional institutions.
• **Criterion-Referenced Tests (CRTs)** are intended to measure how well a student has learned a specific body of knowledge and skills. In education, CRTs are designed to determine whether a student has learned enough of what was taught to be considered proficient or to have mastered the content. These are the most common tests currently being used in state accountability testing systems. CRTs are different for each grade level and are designed to measure how much a student knows versus what a student in that grade is expected to know. They are typically paper-based assessments, or, if online, they are typically fixed forms, to ensure that every student in a specific grade and subject takes the exact same test. For a low-achieving student, the fixed nature of the test means that the student is likely to know very little about the tested content. Further troubling is the fact that educators of this student will not be able to glean vital information from the test results about what this student actually does know and at what level the student begins to struggle, because the test data will indicate only that the student knows very little grade-level content. Some educators use the term **standards-referenced tests** to refer to a slight hybrid of the CRT where performance levels are defined (e.g., Basic, Proficient, and Advanced). The goal of the standards-referenced test is to ensure that students are tested on specific content standards but that students also achieve specific performance levels on the test overall. For this report, we use the CRT designation as including standards-referenced tests with performance levels.

• **Norm-Referenced Tests** are designed to sort and rank students and to compare test takers to each other, and are not to be used to determine whether students have met standards. Norm-referenced tests are typically built to measure those content standards common across the national education market. Norm-referenced tests are also designed to produce a normal or bell-shaped distribution of scores that can meaningfully be interpreted as percentile ranks. These tests are more precise in the middle of the distribution and less precise at the extremes (both low and high ends). In addition, norm-referenced tests assess where each student lies relative to other students in the same grade who participated in the standardization or norming research study, not to a pre-defined proficiency level. As a result, a percentile rank does not indicate what a student is expected to know.

• **Gains from Static CRTs**, a method increasingly used by states, attempt to impute learning gains relative to the previous year’s test results. Although a potential improvement from the standards-based CRT model, the methodology is too imprecise to assess gains by students below grade level, because the tests used to calculate the gains are the grade-level CRT tests on which many academically at-risk students may not be able to show much, if any, knowledge of the tested objectives. In addition, for any state accountability test, it is very difficult to estimate the exact grade-level achievement of very low- or very high-achieving students based on their test scores, because the measurement error is greater at the ends of the grade-level score continuum.

• **Adaptive Gains** tests, in contrast, are computer-administered exams that dynamically adjust the difficulty of questions based on a student’s previous answers. These tests have the following advantages:
  • They can hone in on a student’s ability quickly and precisely and eliminate the need for separate tests for multiple grade levels.
  • Annual academic growth for a student can be measured by calculating how much a student’s score increased between the start and the end of the school year.
  • Gains can be aggregated by teacher and compared by score ranges or by demographic categories.

K12 feels strongly that adaptive testing is the best measurement model for K12-managed public schools, with their high growth rates and student mobility, but also for all public schools, as this testing provides the most accurate and precise measure of achievement at any point in time for every student whether below, at, or above grade level, and focuses on growth instead of on proficiency at a point in time.

Accordingly, as discussed in the next section, K12 has chosen to evaluate the progress of its students using the Scantron adaptive test, which we administer to each student in grades 3 through 10 at the beginning and end of each school year, allowing us to measure our students’ gains compared to a large, nationally normed group.
“This experience has taught our children that they can accomplish anything.”
“Our children have attended public and charter schools. Both experiences were problematic in one way or another and different for each child. No matter how many meetings we had with teachers, principals, or even parents, it seems that it really is a difficult task in those environments to focus on one child’s needs.

“As you can imagine, with four kids who are as unique in their learning abilities as they are (aren’t all children?), the idea of leaving a traditional brick-and-mortar environment for a highly involved, one-on-one learning plan was daunting. But we had to find another answer—and chose Arizona Virtual Academy (AZVA) to take our kids to the next level.

“Not only have our children maintained Honor Roll status, but also our kindergartner has tested into the second grade with this program! There is no way a ‘regular’ school environment would’ve been able to cater to a high flyer like this. In addition, we had no idea where our kids needed extra help until AZVA. That’s not because we aren’t involved parents (we absolutely are), but now we work with them on a very close level.

“With AZVA, you’re provided all the tools, books, classes, and teachers you need to comfortably pull away from what society has told us is the only way to teach our kids. AZVA is the best of both worlds for families. You get to school at home, work at your child’s ability level, enjoy the benefits of a public school backing you, and so much more.

“I think this experience has taught our children that they can accomplish anything they put their minds to. What a great gift to our kids. I can’t wait to see how they do in their lives because of the years we’ve spent with AZVA.”
The K12 Student Report Card: Delivering Results
K12 believes that the best method for measuring student performance is the progress a student makes over the course of a school year, also known as a “growth measure,” which can be captured by using adaptive testing.

For the 2011–2012 school year, students enrolled in K12-managed public schools, on aggregate, made 97% of the Scantron Norm Group gain in math and 196% of the Scantron Norm Group gain in reading.

K12-managed public schools have generally demonstrated gains very close to or above the gains of the Scantron Norm Group in math and reading for all grade levels tested for the past three years.

The longer students have been enrolled in a K12-managed public school, the better the students perform on state exams relative to their student peers with shorter tenures.

K12 is not seeing the same level of success with external gains models that are now being used in some states, and thus, we are actively engaged in research to analyze why our Scantron gains scores do not always correlate to the states’ gains scores.

K12 Has Chosen to Evaluate the Progress of Its Students Using the Scantron Performance Series Assessments, Which We Administer to Each Student at the Beginning and End of the Academic Year. This Decision Has Been Made for a Range of Reasons:

• **The advantages of adaptive tests in the individualized learning context:** As discussed previously, adaptive tests are especially appropriate for the individualized learning context, where students advance at their own pace, and an increasing number of students enter behind grade level in attainment. Adaptive tests focus on growth and eliminate uneven starting points, while focusing on gains/mastery instead of on proficiency at a given point in time. In addition, because adaptive tests measure mastery, K12 can and does use adaptive tests as a powerful element of its individualized learning program.

• **A large, nationally normed group:** Use of Scantron allows K12 to measure the gains of students in partner schools compared to a large, nationally normed group. The Scantron Norm Group is based on user norms for grades 2 through 10 for math and reading who took the Scantron Performance Series Exam in Fall of 2005 and again in Spring of 2006. The group was assembled by Scantron to provide clients, typically districts and schools, with a means by which to compare the performance of their own students. The Norm Group represents national population levels in the area of ethnicity, gender, and geographic region.11

• **Ability to administer in a web-based environment:** Scantron assessments are computer-administered tests that are Internet-based, which is critical given that the majority of our interactions with students take place over this medium. When K12 was evaluating adaptive testing products for implementation in K12-managed public schools, the Scantron Performance Series was the only web-based product available, which was vitally important, given the online school model.

• **Continuity:** Continuity with a test is critical for meaningful comparisons across schools and to measure progress for individual students. K12 has been using the Scantron series since the 2008–2009 school year and, thus, has several years of data to support the finding that K12 students continually perform at or above the Scantron Norm Group in Math and Reading. In addition, it provides school leaders with a goal and a standard

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to measure the attainment of that goal. When the Scantron assessments were selected for use in K12-managed public schools, these assessments were the only computer adaptive test available online that allowed us to measure students’ gains longitudinally compared to a large, nationally normed group. Although at least one new online computer adaptive test is now available, we continue to use the Scantron assessments for consistency of measures across the school years.

Student Gains on Scantron Tests Are Generally Near or Above Scantron Norms

In the fall of 2011, and again in the spring of 2012, approximately 38,700 K12-managed public school students in grades 3–10 took the Scantron Performance Series tests in Math and Reading. These online, adaptive assessments were implemented to determine annual growth for students in K12-managed public schools and to inform teachers of students’ strengths and challenges in the fall so that, by spring, strengths could be built upon, and challenges could be remedied. The Scantron Performance Series assessments provide K12-managed public school leaders and teachers with student data that they don’t often get from prior year cumulative files or test scores.

The following charts provide a summary of K12-managed public school students’ gains in terms of the percentage of Scantron Norm Group gain achieved. Only students who are enrolled for a full academic year and take the fall and spring tests within the designated Scantron Performance Series testing windows are compared with the normed group data. A percent gain of 100% represents the exact gain of the Scantron Norm Group. In instances when K12-managed public school students achieve higher gains than the Scantron Norm Group, the percentage of the Scantron Norm Group gain achieved is greater than 100%, and in instances when K12-managed public school students achieve lower gains than the Scantron Norm Group, the percentage of the Scantron Norm Group gain achieved is less than 100%.

As can be seen in the following chart, K12-managed public schools did very well in Reading gains for the 2011–2012 school year, with an overall achievement of 196% of the Norm Group gain. Grade 3 was the only grade not achieving at least 100% of the Norm Group gain, at 98%, though this difference was not statistically significant. The gains in all other grades were above 100% of the Norm Group gain and statistically significant.

K12-Managed Public Schools Percent of Scantron National Norm Group Gain Achieved in Reading, School Year 2011-12

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>% of Scantron Norm Group Gain Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>0%</td>
</tr>
<tr>
<td>3rd</td>
<td>50%</td>
</tr>
<tr>
<td>4th</td>
<td>100%</td>
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<tr>
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<td>150%</td>
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<td>6th</td>
<td>200%</td>
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<td>7th</td>
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</tr>
<tr>
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<td>300%</td>
</tr>
<tr>
<td>9th</td>
<td>350%</td>
</tr>
<tr>
<td>10th</td>
<td>400%</td>
</tr>
</tbody>
</table>

* Denotes statistical difference from the norm
In Math, K12-managed public schools achieved 97% of the Norm Group gain across all grades for the 2011-2012 school year. The gains in grades 3, 5, and 9 were not statistically significant from the Norm Group gain. The gains for grades 4 and 6 were above the Scantron Norm Group gain and were statistically significant. In grades 7, 8, and 10, the K12-managed public school gains were below the Scantron Norm Group, and the difference was statistically significant.

### K12-Managed Public Schools Percent of Scantron National Norm Group Gain Achieved in Math, School Year 2011-2012

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>% of Scantron Norm Group Gain Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>100%</td>
</tr>
<tr>
<td>3rd</td>
<td>100%</td>
</tr>
<tr>
<td>All</td>
<td>100%</td>
</tr>
<tr>
<td>3rd</td>
<td>100%</td>
</tr>
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<td>4th*</td>
<td>100%</td>
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<td>5th</td>
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<tr>
<td>8th*</td>
<td>100%</td>
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<tr>
<td>9th</td>
<td>100%</td>
</tr>
<tr>
<td>10th*</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Denotes statistical difference from the norm

Based on the 2011-2012 school year Scantron data for K12-managed public schools, we believe that, overall, the schools are doing an excellent job with student growth in Reading. The data for Math are less positive, however, especially in grades 7, 8, and 10, where the gains of K12-managed public schools were significantly below the Scantron Norm Group. As discussed later in the report, math instruction and growth is a specific area of improvement focus for K12-managed public schools, especially in the middle and high school grades.

Appendix A contains more detailed information on the results presented above, including Scantron scale scores for the fall and spring testing administrations in K12-managed public schools. The Appendix also contains details about the analysis to determine statistical significance.
Year-Over-Year Gains Show Positive Trend in Grades 7–10 Reading; More Improvement Needed in Math

In addition to comparing the gains of students enrolled in K12-managed public schools for each school year with the Scantron Norm Group gains, we also analyze the K12 gains year-over-year, to determine if any major changes, either positive or negative, warrant further study. The following charts show K12-managed public schools’ gains in the 2009–2010, 2010–2011, and 2011–2012 school years.

In reading, our scores have remained at or above the Norm Group for the past three school years. Although we saw a slight drop in gains for grades 3, 4, 5, and 6 for the 2011–2012 school year, the gains were still significantly above the Norm Group for grades 4, 5, and 6, and they were not statistically different from the Norm Group in Grade 3. We are pleased with the increase in Reading gains for grades 7, 8, 9, and 10 for the 2011–2012 school year, as students tend to be more academically at-risk the older they get. We believe that the improvement in the Reading gains for the older grades indicates our improvement in providing remediation to this group of students.
In math, our year-over-year Scantron gains show more mixed results than in Reading. After most grades saw an increase in gains for the 2010–2011 school year, the gains for 2011–2012 decreased in every grade, although K¹²-managed public schools are statistically below the Norm Group only in grades 7, 8, and 10, as described above. The cause of the decrease in gains for the 2011–2012 school year is not known with any certainty, but for the 2012–2013 school year, K¹²-managed public schools are working to increase the focus on remediation with better data systems and tracking of student progress in the K¹² Online School (OLS) and in third-party assessment and remediation tools.

The Scantron Performance Series gains for each K¹²-managed public school for the past three school years (2009–2010, 2010–2011, and 2011–2012) are contained at the end of this report. Group sizes under 10 are not reported.
Longer-Tenured Students Perform Better on State Tests

As explained in an earlier section of this report, we do not believe that static criterion-referenced tests (CRTs) are the best way to measure the academic success of students enrolled in K12-managed public schools. For students who have been enrolled in a school for a relatively short period, as is the case with a large percentage of students in K12-managed public schools, CRTs say more about the performance of the prior educational setting of the student than the current setting. When we compare state test proficiency percentages of students from the resident districts where the largest numbers of students enroll in K12-managed public schools, we see an encouraging trend: The longer students have been enrolled in a K12-managed public school, the more likely the students are to be “Proficient” on state exams relative to students with shorter tenure, and the better the students perform compared to students enrolled in their resident districts.

Higher Rates of “Proficiency” on State Exams for Students with Longer Tenure – Reading School Year 2010-2011
Higher Rates of "Proficiency" on State Exams for Students with Longer Tenure –
Reading School Year 2010-2011

% Proficiency for Students From Resident District Enrolled in K-12-Managed Public School

Resident School District

Higher Rates of "Proficiency" on State Exams for Students with Longer Tenure –
Math School Year 2010-2011

% Proficiency for Students From Resident District Enrolled in K-12-Managed Public School

Resident School District
Although we find these results encouraging, we are not satisfied with the achievement of our students, especially in math. Although it is obvious from the data presented above that students are enrolling with severe deficits in the area of math, K12’s goal is to develop curriculum and programs that can “catch students up” until they are performing at or above grade level. Later in this report, we will discuss the initiatives we are undertaking to improve math achievement in the schools we manage.
K12 International Academy Students Show Significantly Higher Gains than the Norm Group

The Scantron Performance Series tests are also given to students in the K12 International Academy, a tuition-based private school managed by K12. Students in the K12 International Academy perform significantly above the Scantron Norm Group, which we believe is attributable in part to the commitment and engagement demonstrated by families willing to pay tuition to attend the school. For the 2010–2011 school year, K12 International Academy students achieved gains higher than the national norm in all eight grade levels assessed in reading and math, as can be seen in the following charts. The data from the K12 International Academy are from a relatively small sample of enrolled students, though we believe it is representative of the larger school population.

While we work to perform further studies on the factors underlying the academic success of students in the K12 International Academy, we are encouraged by the results thus far in demonstrating the power of the technology-enabled individualized learning model for highly engaged students. As described in the next section, K12 is pursuing research and pilots to confirm the effects of engagement and to determine whether and how the power of the individualized pedagogical model can be leveraged to get disengaged students on track.
K12 International Academy Scantron Performance Series Gains Compared to the National Norm Group in Math School Year 2010-2011

Grade Level

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Students</th>
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</thead>
<tbody>
<tr>
<td>3rd</td>
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</tr>
<tr>
<td>4th</td>
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<td>5th</td>
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<td>6th</td>
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<td>n=61</td>
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<tr>
<td>9th</td>
<td>n=31</td>
</tr>
<tr>
<td>10th</td>
<td>n=23</td>
</tr>
</tbody>
</table>
K12 Model Scores Well in Kindergarten Study

During the 2011–2012 school year, K12 partnered with Knowledge Universe to provide academic content to select kindergarten classrooms in their KinderCare® centers, a collaboration that provided further confirmation of the power of the K12 individualized learning model to boost engagement and achievement.

K12 provided teachers with comprehensive start-up curriculum training and monthly ongoing support sessions, and all classrooms were equipped with SMART® Boards for K12’s online interactive activities and received K12 books and materials for hands-on activities. This partnership sprang from the successful piloting of the K12 curriculum by two KinderCare centers, one in Reston, Virginia, and the other in Vancouver, Washington, during the 2010–2011 school year. In the second year of the partnership, K12’s Math+ Blue (Kindergarten), Language Arts Blue (Kindergarten), KCS Science Modules, Kindergarten Art, and Kindergarten Social Studies courses were used by more than 200 students in 18 classrooms. The centers were located across nine states: New Jersey, Virginia, Connecticut, Pennsylvania, Massachusetts, Michigan, Texas, Illinois, and Washington.

For the 2012–2013 school year, the number of centers using K12 in the kindergarten classroom has increased from 18 to 34.

Anecdotal evidence from teachers indicated enhanced student engagement and achievement, as well as increased parent enthusiasm. Quantitative evidence confirming this conclusion was provided by the TerraNova™, a multiple-choice standardized norm-referenced achievement test used in schools and districts across the country. The TerraNova scores in math and reading showed an overall mean grade-level equivalent score of 1.4 in centers using K12 for one year and a score of 1.7 in centers using K12 for two consecutive years. This means that kindergarten students in mathematics and reading for programs using K12 were achieving above grade level. Those students who were enrolled in centers using K12 for one year had an average achievement level consistent with first-grade students in the fourth month of the school year. Kindergarten students in schools that had used K12 for two years had an average achievement level consistent with first-grade students in the seventh month of the school year.

For the 2012–2013 school year, the number of centers using K12 in the kindergarten classroom has increased from 18 to 34.

Improvement Needed in Preparation for Post-Secondary Education

K12-managed public schools have graduated more than 8,000 students since the first graduating class in 2007. Using a service provided by the National Student Clearinghouse, K12 is able to track student enrollment in post-secondary institutions after graduation from a K12-managed public school. The National Student Clearinghouse provides coverage of collegiate enrollment from more than 3,300 participating post-secondary institutions in the U.S., which collectively account for more than 96% of all student enrollments in U.S. higher education institutions, including two-year, four-year, graduate, public, private, trade, and vocational schools.

Data from the National Student Clearinghouse indicate that 40% of 2011 high school graduates from K12-managed public schools enrolled in a post-secondary education program within one year of graduation. This percentage is significantly lower than a comparable statistic issued by the U.S. Bureau of Labor Statistics in October 2011, which states that 68.3% of 2011 high school graduates were enrolled in colleges and universities.12

Although we are not satisfied with the post-secondary matriculation rates for students in the school year immediately following high school graduation, we are encouraged that the rate increases to 51% of students enrolled in a post-secondary education program for students within two years of graduation. As will be discussed later in this report, K12 is actively working on increasing the rate of students enrolling in post-secondary education after high school graduation.

K12 also believes the relatively low post-secondary participation rate of K12-managed public school students when compared to national averages may reflect a greater concentration of academically at-risk high school students in K12-managed public schools than in the nation overall. Approximately 40% to 60% of incoming 10th, 11th, and 12th graders in a sampling of K12-managed public schools were credit-deficient upon enrollment.

For students who choose to continue with their education after graduating from high school, the majority choose to attend in-state, public, two-year institutions. For students graduating from 2007 to 2011 who were actively enrolled in a post-secondary institution as of August 2012: 82% were enrolled in-state, compared to 18% out-of-state; 83% were attending public institutions, compared to 17% enrolled in private institutions, and 62% were enrolled in two-year institutions, compared to 38% in four-year institutions.

Graduates of K12-managed public schools have been accepted into hundreds of post-secondary institutions, including the following colleges and universities, as indicated by K12-managed public schools Senior Survey data and data from the National Student Clearinghouse on post-secondary enrollment:

American University
Arizona State University
Brigham Young University
Brown University
California Institute of the Arts
Carnegie Mellon University
Case Western Reserve University
Colorado State University
Columbia University
Cornell University
DePaul University
Drexel University
Duke University
Georgia State University
Grand Canyon University
Hamline University
Kent State University
Miami University of Ohio
Minnesota School of Business
Minnesota State University
New York University
Northern Arizona University
Northwestern University
Ohio State University
Pennsylvania State University
Rhode Island School of Design
Rice University
Rocky Mountain College of Art and Design
San Francisco State University
Savannah College of Art and Design
Spelman College
St. Cloud State University
Stanford University
Sweet Briar College
The Juilliard School
Tulane University
U.S. Air Force Academy
University of California, Berkeley
University of Arizona
University of California, Davis
University of California, Irvine
University of California, Los Angeles
University of California, San Diego
University of California, Santa Barbara
University of California, Santa Cruz
University of Colorado, Boulder
University of Colorado, Denver
University of Dayton
University of Georgia
University of Michigan
University of Minnesota, Twin Cities
University of Nevada, Las Vegas
University of Nevada, Reno
University of North Carolina, Chapel Hill
University of Northern Colorado
University of Oxford, UK
University of Pittsburgh
University of Southern California
University of Utah
University of Virginia
Vassar College
Villanova University
Wake Forest University

For a more extensive list of post-secondary institutions where K12-managed public school graduates have been accepted and/or enrolled since 2009, visit K12.com/graduates.
Parent Surveys Show High Levels of Satisfaction

Although parent satisfaction is not a direct confirmation of school performance, the fact that parents and guardians can choose K12-managed public schools does provide a meaningful indication of whether they believe these schools benefit their children. In K-8 and high school parent and high school student satisfaction surveys of enrolled families from May 2012, 88% of parents indicated they were satisfied with their K12-managed public school by rating their satisfaction as a “5,” “6,” or “7” on a scale of 1 to 7. Parents believe their children have benefitted from the experience and curriculum, are satisfied with their schools, are likely to re-enroll and recommend their schools, and rate teachers highly.

Parents Are Satisfied with the K12 Program

K12-Managed Public Schools K-12 Parent Satisfaction

Top 3 Box scores on a 1-7 scale where 1 is “Very dissatisfied” and 7 is “Very satisfied.”
Source: Spring 2012 Satisfaction Surveys with Virtual Academy K–8 and HS parents, IQ Academy 6–8 and HS parents, and Insight Schools 6–8 and HS parents. Total K12 K–12 percentages are weighted averages of all 4 surveys based on parent population proportions as of May 2012.

Q: How would you rate your overall satisfaction with [School Name]/curriculum/teacher this year? (n=9,174 in 4 surveys)

K12-Managed Public Schools K–12 Parent Loyalty

Top 3 Box scores on a 1–7 scale where 1 is “Very unlikely” and 7 is “Very likely.” Source: Spring 2012 Satisfaction Surveys with Virtual Academy K–8 and HS parents, IQ Academy 6–8 and HS parents, and Insight Schools 6–8 and HS parents. Total K12 K–12 percentages are weighted averages of all 4 surveys based on parent population proportions as of May 2012.

Q: Based on your experience, how likely are you to recommend [school name]/curriculum to a friend or family member? (n=9174 in 4 surveys)

Q: Based on your experience, how likely are you to enroll your student or other students in [School Name] next year? (n= 9174 in 4 surveys)
In the K^{12} Virtual Academies (data not available for Insight Schools or IQ Academies), parents and high school students rated the impact of the school and the K^{12} curriculum highly.

### K^{12} and School Experience

I have/My student has benefitted academically from the K^{12} curriculum

<table>
<thead>
<tr>
<th>K-12 Parent</th>
<th>High School Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>97%</td>
<td>92%</td>
</tr>
</tbody>
</table>

I have/My student has benefitted academically from attending [school name]

<table>
<thead>
<tr>
<th>K-12 Parent</th>
<th>High School Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>96%</td>
<td>91%</td>
</tr>
</tbody>
</table>

### Impact of K^{12} Curriculum

The K^{12} curriculum is helping me/my student prepare for future success

<table>
<thead>
<tr>
<th>K-12 Parent</th>
<th>High School Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>96%</td>
<td>90%</td>
</tr>
</tbody>
</table>

The K^{12} curriculum has had a positive impact on me/my student

<table>
<thead>
<tr>
<th>K-12 Parent</th>
<th>High School Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>96%</td>
<td>90%</td>
</tr>
</tbody>
</table>

Although parents are satisfied with K^{12}-managed public schools, they do, as indicated earlier in the report, experience a high degree of mobility. We believe this mobility reflects three factors:

• the institutions’ status as schools of choice—their very purpose is to ensure that students are not restricted to an environment that is not working for them.

• their academic rigor and time commitment—exit survey findings indicate that the number one reason students depart K^{12}-managed public schools is that the program is “too time-consuming.”

• families’ use of online schools, as indicated in K^{12} surveys, as a limited-time solution to address a specific learning or family issue. Again, more than half of high school parents and a third of K–8 parents view K^{12} schools as a “good way to catch up.”

Nevertheless, K^{12} is constantly looking at ways to improve retention, including programs that better serve families who are new to a home-based learning model or who may not have a supportive or available learning coach in the home. Pilots to improve engagement, which we believe will also have a positive effect on retention, are described in the following section.

Source: Spring 2012 Virtual Academy K–8 and HS parent and HS Student Spring Satisfaction Surveys (Weighted Average for K–12 Parents)
Q: Do you agree with the following statements?
Scale: ‘Yes/No’ [‘Don’t Know’ responses excluded from base]
“I couldn’t ask for a better high school experience.”
“Insight School of California – Los Angeles has been a perfect fit for me. It truly is the best school I have ever attended.”

“Online schooling at Insight School of California – Los Angeles has helped me reach my greatest learning potential. By being allowed to learn things my way, I am able to understand the material fully. Because of this, I have received straight A’s, which is better than what I received at my old brick-and-mortar high school.

“The quality of the courses has contributed to my outstanding grades because the courses are not confusing at all. They teach you the material in detail and let you be interactive with it, as well. My favorite subject is English. I love reading and analyzing the art of literature and words. The course is great because it incorporates a lot of reading and creativity in the assignments.

“Another way online school has helped me is it gives me the freedom to make my own schedule. My old school was restrictive. It didn’t allow for a flexible schedule. Outside school, I love fitness, I play the piano, and I sing. When planning my daily schedule, I make space for all of these activities along with my studies. The flexible schedule of my online school gives me the freedom to complete all these things during my day. In addition, I can focus on schoolwork more effectively because I am not overwhelmed.

“In addition, the teachers at my school have been wonderful. They are helpful in explaining the expectations of an assignment, and they give details when explaining the course material. I can easily contact them if I have a question. I believe that the teachers are more relaxed, which, in turn, helps me to be more relaxed.

“Insight School of California – Los Angeles has been a perfect fit for me. It truly is the best school I have ever attended, and I couldn’t ask for a better high school experience.”
What K12 Is Doing to Advance Individualized Education
As a leader in the industry, K12 is marshalling its resources to systematically address the challenges facing individualized learning and drive continuous improvement of the model:

- K12 has set ambitious goals for student progress and desires to partner with states, school districts, parents, and students themselves to advance young people toward graduation and college and career readiness in the global economy. To lead our efforts to improve performance, we have announced two important new developments: the hiring of our new Chief Academic Officer, who brings outstanding credentials and expertise across the entire education establishment from pre-K to grad school, and the expanded Education Advisory Board for the 2012–2013 academic year.
- K12 has also invested more than $330 million in groundbreaking curriculum, technology, learning systems, and teacher support.
- As its academically at-risk population continues to expand, K12 is also investing extensively in differentiated offerings and models to meet the specific needs of these students.
- The company is continually creating pilot programs to address the challenge of engagement, a factor critical not only to student success but also to improving retention rates across K12-managed public schools.

Just as K12 Is Leading the Industry in Realizing the Opportunities Presented by Online Education to Transform the Education System, We Are Out Front in Confronting the Challenges Posed by the Transition.

To this end, K12 has invested more than $330 million in groundbreaking curriculum, technology, learning systems, and teacher support. We're putting our scientific expertise and professional resources to work to create product enhancements, curriculum updates, remediation efforts, pilot programs, and other instructional innovations. In particular, we feel a strong responsibility to help academically at-risk students succeed, and are investing in a range of remediation efforts to benefit them.

Our team of world-class cognitive experts and education innovators is taking advantage of the volumes of data generated by the more than 110,000 full-time students in our K12-managed public schools to learn more about how they learn, and we are combining that information with our more than 12 years of expertise in online learning to craft cutting-edge new solutions for students in K12 partner schools.
Raising the Bar for Performance

K12 is committed to improving academic progress and performance in K12-managed public schools. Using individualized education as the underlying framework for education delivery, and working in partnership with states, school districts, and parents, K12’s goal is to see all students benefit academically while enrolled in a K12-managed public school, and, depending upon how long students remain enrolled in the school, graduate from high school prepared for the next step of college and/or a career.

Specifically, K12 has set ambitious goals for the academic progress and performance of all students in K12-managed public schools who are actively engaged in the Individualized Learning Plans developed to address the students’ specific learning needs:

• For students who enter below grade level, accelerate the rate of learning to a pace faster than what was experienced in the prior educational setting, working to catch them up over time
• For students who enter at or above grade level, make one year or more of progress for each year they are enrolled in a K12-managed public school
• Advance every high school student along the path to high school graduation during the time the student is enrolled in a K12-managed public school
• Graduate all high school students ready for college and/or career

We understand that these goals are ambitious, but they are the sine qua non for students to succeed as adults. That’s why we are committed to partnering with states, school districts, parents, and students themselves to advance students toward graduation and college and career readiness in the global economy:

We make it clear from our initial discussions with prospective families that achieving these goals depends on the willingness of students and their parents to fulfill their commitments under K12’s Individualized Learning Plans—a concept we call “fidelity to plan.” We continually emphasize to all parties involved that students cannot be successful in an online learning setting if they are unwilling to engage with the online program.

We are committed to partnering with states, school districts, parents, and students themselves to advance students toward graduation.

At the same time, we are actively encouraging states to become better partners with online public schools throughout the educational process, providing the systems and processes needed to ensure that no students fall through the cracks, including the following:

• Providing easy access to transcript information for students transferring to a new school. Not having accurate transcript information for students immediately upon enrollment can cause placement delays or, even worse, incorrect placements for students that result in students taking courses that do not advance them toward high school graduation. Transcript information for all students should be tracked at the state level so that schools do not need to rely upon receiving transcript information directly from students’ prior schools, since such information is often not sent in a timely manner. Schools should also not be forced to rely on student- or parent-supplied information regarding prior course-taking history, as the information is often incomplete and/or inaccurate.
Providing longitudinal data on state test results for enrolled students. Very few states make prior years’ test scores available to schools from a central database, even though almost all states have access to this information. Students’ prior years’ test data are a key piece of students’ educational history that can help ensure that students are provided with Individualized Learning Plans that best meet the students’ needs. As with transcript information, schools should not have to rely upon receiving prior years’ test data from students’ prior schools since data are often not sent in a timely manner, and especially since these test data are already tracked at the state level, and systems could easily be developed to make this information available to schools immediately upon a student’s enrollment.

Creating processes by which schools are allowed to place students in the optimal educational setting in a timely manner. Once it is determined that a student is not actively engaging in an online program, and the school has done all that it can reasonably do to reach out to the student and attempt to engage him or her, an online public school must be able to return the student to a traditional educational setting. In many states, online public schools are not able to withdraw students and return them to their resident districts and schools.

Extensive Investments in 21st-Century Instructors and Solutions

As a private entity, K12 has the capability to make investments in the quality of instruction and in product innovation far beyond that of the public education system. In all, K12 has invested more than $330 million in teacher support, innovative curriculum, technology, and learning systems. These and ongoing investments encompass the following:

Teacher Training and Development: Realizing that excellent instruction is at the heart of any successful school, K12 has invested heavily in training and preparing teachers to work in fully online and blended learning environments. For example:

• The Virtual National Teacher Training (VNTT) program was developed by K12 to ensure that teachers in K12-managed public schools are given the tools they need to be effective instructors with the K12 Program. Although more than 99% of teachers in K12-managed public schools are state-certified and highly-qualified, as defined by the No Child Left Behind Act of 2001, many have not previously taught in an online environment. Using best practices culled from the iNACOL Standards for Quality Online Teaching, VNTT consists of approximately 40 hours of content delivered
in an online setting that prepares teachers to teach in an online environment, including modules on creating teacher presence in an online environment, using tools to effectively engage online learners, and delivering high-quality synchronous instruction.

- K12 also offers an extensive catalog of continuing professional development for teachers, including more than 600 modules covering topics such as Communication in Online Learning, Assessment at a Distance, Differentiated Instruction, and Quality Online Teaching.

- K12 will conduct research to identify the powerful practices of our highly effective teachers, those teachers whose students earn 1.5 years of growth for one year’s worth of instruction based on the Scantron results. These practices will be reviewed against the iNACOL Standards, and if we identify additional standards from these powerful practices that would help our teachers become more effective, we will incorporate these standards into the VNTT program. In addition, we will routinely audit our faculty to ensure that they are employing these practices.

**Curriculum Innovation:** Despite having a full suite of kindergarten through 12th-grade curriculum, the K12 curriculum team continues to invest in improving the curriculum to make it as effective and engaging as possible. Using a proprietary content and learning management system, K12 has raised the bar in educational technology with the capability to create true adaptive learning, with the goal of delivering the right content at the right time, based on individual student need.

Students who quickly master content may proceed at an accelerated pace or go deeper in a given content area, while students experiencing difficulty may be provided with alternative teaching approaches, extra practice, and teacher interventions as needed. The technology of adaptive learning, still in its early stages, holds great promise for customizing the sequence, pace, and depth of instruction to maximize each student’s individual potential. Although various educational providers are beginning to implement adaptive learning technologies, K12 is favorably positioned to take the greatest advantage of the emerging technologies. We have developed a comprehensive range of content, sophisticated instructional tools, and an extensive support network, all of which are necessary to realize the full promise of adaptive learning.

The technology of adaptive learning holds great promise for customizing the sequence, pace, and depth of instruction to maximize each student’s individual potential.

Because K12 is involved with every aspect of the learning cycle encompassing curriculum development, implementation of the instructional model, teacher training and support, and student assessment, we are able to carefully monitor all parts of the cycle for needed improvements. As we identify areas for improvement, as technology changes and allows for better tools, and as cognitive science provides new insight into how students learn, we update our curriculum and offerings to take advantage of our latest learnings.
Recent curricular investments include the following:

**General Innovations and Features**

- **Distribution channels.** Mobile apps translate instructional and practice materials for distribution on new devices.
- **Games.** Games embedded within curriculum and available as stand-alone apps allow students to practice for fluency in fundamental topics ranging from math and science facts to developmental reading.
- **Media, interactivity, and video.** Augmented audio, animation, and interactivity in second-generation courses focus specifically on topics where research shows that students often stumble. Multiple media channels allow for multiple modes of instruction, more complete worked examples, a much wider range of immediate feedback (for correct and incorrect answers), and greater supplementary explanation.
- **Assessment preparation and review.** A new suite of interactive engines designed specifically for self-testing, review, and exam preparation is launching initially in our portfolio of Advanced Placement® (AP) exam reviews. These have been designed to eventually function for courses at all levels and in all subject areas across the bell curve of students, and are meant to be especially helpful for students working independently or who need special assistance in structuring their review efforts.
- **Projects.** Problem- and project-based instructional models embodied in new math and science electives tie learning tasks directly to real-world applications following the guidance of the 21st-Century Skills initiative and leading STEM frameworks.
- **Stranding and Modularity.** Coherent but separable English Language Arts strands for grammar, literature, phonics, writing skills, and handwriting allow students and teachers to accelerate in certain ELA topics while moving more slowly in others to customize the pace for individual student needs. Similar stranding in our K–4 Social Studies curriculum allows similar flexibility. In our new Pre-K curriculum, analogous modularization permits maximum flexibility for differing implementations, allowing classes and students to restructure and change pace as necessary for individualized needs.

**Product- and Subject Area–Specific Innovations**

**English Language Arts**

- **Grammar Guides.** An online comprehensive grammar reference guide for elementary and middle school enables students to access grammar topics outside the students’ regular coursework for self-help. A clear and amusing style makes the guide especially appropriate for struggling students.
- **Models of success.** New sample papers modeling various skill levels help students understand how to move up the ladder to more successful output.
- **Writing.** Compiled tips and strategies specifically for reluctant writers assist learning coaches in coaxing students to work through the writing process.

**Mathematics**

- **Manipulable digital tools.** New multi-purpose digital interactives represent the abstractions of mathematics graphically, in initial instruction and in students’ eventual practice. These are designed for first presentation and subsequent re-use by students and teachers, in solo and group sessions, synchronously or asynchronously.
- **Worked examples.** A new array of fully worked and partially worked examples provides special support for academically at-risk students.
- **Feedback.** Customized and immediate feedback is given for correct and incorrect answers. Immediate feedback is especially helpful for academically at-risk students.

**Science**

- **Labs.** In Biology, Earth Science, Chemistry, Physics, and Forensic Science, an expanded array of lab options now augments materials-based, paper-based, and video-based labs with virtual labs. New Field Study labs reflect STEM and 21st-Century Skills guidance by tying science topics to students’ real-world context.
Developing Multiple Pathways:

As the academic and psychosocial needs of the students in our partner schools increasingly diversify, we are working to create differentiated offerings and models to meet these varied needs. In addition to students who may be at-risk for academic failure, we recognize that we have a large group of students who are not “one size fits all” when it comes to learning style and preferences. For example, some students prefer synchronous instruction, attending live online classes with direct instruction, while others prefer to work on their own, attending teachers’ office hours, as needed, to have their questions answered.

K12 seeks to meet the needs of all types of learners, creating learning environments where all students feel comfortable, yet challenged. K12 seeks to meet the needs of all types of learners, creating learning environments where all students feel comfortable, yet challenged, and where all students have clear pathways to academic success. Specifically, we are investing extensively in enhanced remedial instruction, programs, and teaching practices across K12-managed public schools and engaging in pilot programs aimed at improving academic gains and increasing engagement across all the populations of students.

Each school year, K12-managed public schools engage in pilot programs designed by K12 to study the efficacy of specific programs in the online schools. Pilot programs are selected based on the belief that the programs can have profound, positive effects for students who are not experiencing success with the online model as it currently exists. Pilot programs are carefully designed so that the effects of the pilots can be isolated and measured. Pilot programs that show positive results are evaluated for continuation. In some instances, the programs may be run in pilot phase for multiple years to confirm prior results and to improve implementation. In other cases, pilot programs may be deemed so successful that they move out of the pilot phase after one year and are rolled out on a larger scale across K12-managed public schools. If a pilot program does not demonstrate success and it is concluded that the program will not have the desired effect even with further modification, the pilot is discontinued.

Innovative pilots aimed at improving academic performance include the following:

The Insight Program

The Insight program is designed to address the needs of the increasing number of high school students coming in who are severely credit-deficient or are experiencing life circumstances placing them at risk either of not graduating with their cohort or of dropping out of school. Efforts pursued in various Insight Schools include the following:

- Employment of social worker-type employees to help students secure resources essential for addressing psychosocial needs that may inhibit the students’ ability to focus on academics.
- A lower ratio of students per advisor, allowing increased support and interaction with students whose personal challenges may also compromise engagement with academic work.
- Use of a block-scheduled approach to assigning courses to
address credit deficiencies; block schedules allow students to focus on fewer courses at a time while allowing a late-starting student to complete more courses during a school year, thus closing the credit gap.

• Use of Aventa by K12 Credit Recovery and the A+nywhere System by K12, two powerful curricular tools, to identify a student’s academic deficiencies and provide targeted remediation and credit recovery.

• 24/7 tutoring to support the many academically at-risk students with life circumstances that require the students to complete their academic work at odd hours of the day when not all teachers are available for support.

With the recent appointment of a new Director of At-Risk Programs, we expect the model for supporting academically at-risk students will continue to be developed and refined for the 2013–2014 school year.

K12 National Math Lab

National Math Lab (NML) is an innovative program aimed at addressing students’ weaknesses in math—not only a K12 concern but also a national concern. Designed by a team of curriculum and instruction specialists at K12, in cooperation with school leaders from K12-managed public schools, and launched as a pilot at the beginning of the 2011–2012 school year, NML provides twice the usual coverage of math instruction to students in grades 5–10 who are identified as academically at-risk in math. In addition to the students’ regular math coursework, students attend targeted synchronous mathematical instruction provided by highly trained math teachers four days per week. NML sessions are offered many times throughout the day and are designed to meet students where they are, provide remediation, and, over time, bring them up to grade level.

A controlled study for the 2011–2012 school year found that students in grades 5, 6, 8, 9, and 10 with consistent attendance at NML classes experienced significantly higher gains on the Scantron Performance Series assessment in Math than a control group that was offered only the standard math program.8

K12 National Math Lab Pilot
Scantron Gains for NML Group vs Control Group
School Year 2011–2012
Participation in NML was also positively correlated with sustained enrollment in K^{12}-managed-public schools. Ninety-three percent of students who accepted the invitation to join NML stayed enrolled in their school from the time they started with NML through the end of the school year, compared to 88% of students who were invited to NML but declined the invitation. The correlation between NML participation and sustained enrollment was even more dramatic for those with consistent attendance at NML sessions.\textsuperscript{13} Ninety-eight percent of students with consistent attendance at NML remained enrolled in their schools from the time they joined NML through the end of the school year.

As a result of the 2011–2012 National Math Lab pilot findings, NML is no longer in “pilot” status and has been expanded to serve a greater number of students across K^{12}-managed public schools for the 2012–2013 school year.

\textsuperscript{13} Consistent attendance at NML is defined as attending at least 70% of NML classes for at least two of the three 8-week NML sessions offered for the 2011-2012 school year.
Synchronous Instruction Pilots

Beginning with the 2010–2011 school year, the Ohio Virtual Academy (OHVA) and Agora Cyber Charter School (Agora) teams have engaged in a series of synchronous instruction pilots aimed at improving passing and retention rates. These pilots include the following:

- **Fully Synchronous Instruction Pilots at OHVA and Agora:**
  In the 2010–2011 school year, the OHVA and Agora teams tested the effects of daily online synchronous instruction for high school students in Pre-Algebra and Physical Science at OHVA and Algebra II at Agora, the latter on a volunteer basis. The impact of regular synchronous instruction in the math and science courses positively affected student course averages, course passing rates, assignment submission rates, and student retention rates. In addition, at OHVA evidence suggested a ‘halo’ effect: Passing rate increases were also seen in the history and English courses of students in the synchronous pilot group.

- **OHVA Cohort Academy Pilot:** Also during the 2010–2011 school year, OHVA pursued a “Cohort Academy” pilot for high school students enrolling after the start of the school year, who historically had struggled to acclimate to the online environment. The pilot placed randomly selected late enrollees in an “Academy,” in which core subjects were taught fully synchronously by a group of teachers assigned solely to Academy students. The teachers ramped up academic requirements gradually to avoid overwhelming the students. Students in the Cohort Academy demonstrated better academic performance and a higher retention rate than a control group.

- **OHVA STAR Program:** The Synchronous Teaching Achieves Results (STAR) Program provided four days per week of synchronous instruction in math and language arts during the 2011–2012 school year for approximately 600 students in grades 4–6 considered at risk of not passing state tests. Although overall results were inconclusive, some improvement was seen in student retention in grades 5 and 6, along with gains in achievement that were inconsistent across the grade levels. This program will be further monitored for effectiveness during the 2012–2013 school year.

- **Agora Synchronous Session Program:** New for the 2012–2013 school year, this revised synchronous program requires new and/or struggling Agora students to attend daily live lessons for the first 30 days of enrollment on either Monday-Wednesday-Friday or Tuesday-Thursday schedules. Teachers directly lead students through the daily sessions to model appropriate use of courses, ensure fidelity to intended instructional methods, reduce teacher planning time, and encourage students to set aside sufficient time for regular lessons. After the initial 30-day period, students who have demonstrated an understanding of the level and regularity of effort required to succeed in online courses are no longer required to attend the two- or three-day-per-week sessions.

Students in the Cohort Academy demonstrated better academic performance and a higher retention rate.

Block Scheduling

During the 2011–2012 school year, several K12-managed public high schools piloted block scheduling, generally assigning students three courses to complete in a nine-week period. This instructional model creates academic momentum and helps some students make up deficient credits by enabling them to better focus their efforts and time. We learned that block scheduling can positively affect student achievement and retention, although students in some courses—such as math and world languages—benefit from extended periods of exposure to sequential content. A number of schools refined their approach to block scheduling in the 2012–2013 school year based on 2011-2012 results.
Engaging All Learners

As has already been mentioned several times in this report, student engagement in the online model is essential to the success of K12-managed public schools. We believe that student engagement is an essential factor in driving academic performance, reducing turnover, and promoting higher retention across K12-managed public schools. K12 is continually creating pilot programs to address the critical area of engagement, with promising results:

Intake/On-Boarding Pilot at the Arizona Virtual Academy (AZVA)

The Arizona Virtual Academy Intake Program assigned each new 2010-2011 student and family to a staff member who ensured that the student received proper orientation to AZVA programs and provided documentation to the student’s teacher on completion of required performance assessments. Students who completed the intake program had a higher rate of retention than those not participating, with significantly greater improvement for high school students. AZVA has continued to refine the Intake Program since its pilot year, and as of the 2012-2013 school year, all new students participate in the Intake Program.

Home Visit Program at Agora

To build stronger relationships between teachers, students, and learning coaches during the 2010-2011 school year, teachers conducted a home visit before the first day of school for all new students and within the first 30 days of school for returning students. Teachers were able to see the student’s work space and learning environment and conduct literacy screenings when applicable, promoting a stronger bond and providing an opportunity for teachers and the school to have a more holistic understanding of each student and learning coach at the earliest point ever, relative to prior school years. Although there was no control group and a small number of students opted out of the home visit, retention at Agora was significantly higher for the students who received home visits during the school year. Home visits have continued in Agora since the 2010-2011 school year, with the responsibility for the visits transitioning to the Agora Family Coaches, whose role is to support students and learning coaches and to help families create positive environments for learning.

Parents are provided an opportunity to connect with other parents, volunteer in the classrooms, or attend social or educational workshops.

Community Days at California Virtual Academy (CAVA)

Developed seven years ago and expanded with each subsequent school year, CAVA’s Community Days provide support to students and their families at local sites, generally located within 45 minutes of their homes. During the 2010-2011 school year, nine California Community Day sites served nearly 10% of CAVA’s K-8 students. Participating students meet at the Community Day site one day each week for three and a half hours and enjoy a range of educational opportunities, including direct instruction in math and language arts. Parents are provided an opportunity to connect with other parents, volunteer in the classrooms, or attend social or educational workshops created especially for them. Although a controlled pilot was not conducted, students participating in Community Days typically demonstrate a higher rate of retention than those not participating.
Student and Family Support Teams at Georgia Cyber Academy (GCA)

During the 2010–2011 school year, Georgia Cyber Academy developed a team of seven Family Support Liaisons—physically located across the state—and a Family Resource Coordinator to help reduce the number of disengaged students and provide a more comprehensive support plan for potentially “at-risk” students. Support included everything from addressing technology issues to connecting families with local homeless shelters, counselors, or other psychosocial support services. The initiative led to the retention of 64% of all teacher referrals made, and overall retention for the 2010–2011 school year increased by 3%. The program has been expanded, and further improvements to the process have produced even better results.

Reward and Incentive Programs at Texas Virtual Academy (TXVA)

To evaluate the effect of an online motivational rewards program on student achievement and engagement, a controlled study was conducted at TXVA during the 2010–2011 school year with students in grades 5, 8, and 9. Students were awarded points for meeting progress and attendance goals set by the school and for completing additional achievement-focused targets. Students could redeem these points for badges, prizes, or donations to charitable organizations. Findings from this study did not indicate that the rewards program had an impact on higher retention or on behaviors conducive to higher academic achievement. As a result of the pilot, K12 advised schools not to invest in this program until an effective process for conducting an online motivational rewards program could be determined.

Advisor Pilot at Georgia Cyber Academy (GCA)

During the 2011–2012 school year, GCA studied the impact of a lower student-to-advisor ratio on engagement and achievement. Although engagement and achievement improvements were not significant, the study yielded several valuable findings: 1) advanced scheduling of 1:1 meetings with students is more effective than random calls, 2) advisors should be freed from administrative tasks not related to connecting with students, and 3) staff activities should be monitored to ensure fidelity to the prescribed advisory model.

Online Mentoring

During the 2011 spring semester, K12 tested whether connecting students with online mentors who worked in students’ fields of interest would increase engagement and post-secondary planning. Students received elective credit for working through online college and career curriculum with their mentors. Before/after attitudinal surveys found that the more motivated a student was to participate, the more likely he or she was to explore new career options, to learn how to apply to college, and to report an increase in self-efficacy. The program’s early success led to another iteration of the pilot during the 2012–2013 school year.
The High School Individualized Learning Plan (HS ILP) Process

The 2012–2013 school year High School Individualized Learning Plan (HS ILP) process strengthens and codifies essential components of the HS ILP by providing templates for communication with parents and students, best-practice staffing models, implementation training, and centralized tracking mechanisms to measure how well high schools are implementing HS ILPs for each student. Further, this process leverages Pathfinder, an online college- and career-planning tool that provides a range of resources: four-year course plan; goal chart; skills, values, and interests inventories; college search engine; and scholarship search engine.

We believe the robustness of the 2012–2013 process should ultimately lead to improved retention, achievement, graduation, and college matriculation rates.

College and Career Workshops

For the 2012–2013 school year, K12 is offering weekly workshops for students and parents on college and career planning. These hour-long, online workshops—offered live and via recording—provide a comprehensive education on how to prepare for and apply to college, as well as exposure to career industry professionals. Sessions are regularly attended by middle school and high school students, reflecting the keen interest in post-secondary planning among students of expanded ages. K12 will measure short-term satisfaction metrics and long-term graduation and college matriculation rates of those participating in this program.

High School Pillars Campaign

In Fall 2012, K12 rolled out a campaign to help the K12-managed public schools adopt five “High School Pillars” developed by a diverse team of school leaders to drive student engagement, achievement, and retention: A Clear Sense of One’s Purpose; Holistic Plan for Success; Responsive, Relevant Learning Experience; Data-Driven Achievement; and Committed Culture & Community. Satisfaction surveys of students and their parents in Fall 2012 provided baselines for a follow-on survey planned for Spring 2013 to measure the degree to which K12-managed high schools are embodying a culture defined by the pillars. The Fall 2012 results show a correlation between schools’ pillar scores and the prior year retention rates, indicating that school culture is an important element of student engagement and retention.

Family Cohort Pilot at Ohio Virtual Academy (OHVA)

OHVA developed a pilot to reduce learning coach burdens for families by streamlining communication and reducing the number of staff members interacting with coaches in families with three or more K–8 students enrolled. Teachers supporting large families also prepared a master schedule to prevent conflicts. The response was positive, and retention was slightly higher for those families participating in the pilot than for those in the general K–8 population at OHVA.

For the 2012–2013 school year, K12 is offering weekly workshops for students and parents on college and career planning.
K12 believes strongly in the potential of individualized education to increase high school graduation rates.

Individualized education can address two key factors contributing to the large number of dropouts:

- Some students give up when, after failing several courses, they realize that they cannot graduate from high school on a normal four-year schedule. Because No Child Left Behind penalizes a school equally for students who don’t graduate high school in four years as it does for students who drop out, schools have not had an incentive to help students graduate high school after a fifth, sixth, or even seventh year. We believe incentives should be changed so that high schools are not penalized for students who graduate on an extended timeframe; in fact, some states have been approved for such a change through the NCLB waiver process. By offering high school students who are at risk of dropping out an extension of the graduation timeline, we can help them achieve the “transcript repairs” that are not available in most brick-and-mortar schools due to inflexible scheduling of courses across a rigid four-year period.

- Students who would otherwise be “on track” experience traumatic life changes, such as teenaged pregnancy or homelessness, which cause the students to drop out of school short of graduation. For these students, dropout recovery programs can be a promising way to earn a diploma and get their lives back “on track.”

K12, in partnership with Chicago Public Schools’ Youth Connections Charter School, launched YCCS Virtual High School in 2009. YCCS Virtual High School is a K12-managed public blended learning program that gives students between the ages of 18 and 21, who previously dropped out of the Chicago Public School system within two years of graduation, a chance to re-enroll in school and earn a high school diploma. Students are required to attend classes for three hours a day at the YCCS Virtual High School Learning Center at Malcolm X College and are required to complete two additional hours of schoolwork each day either in a virtual setting somewhere else or at Malcolm X if they prefer. The flexible schedule allows students who work full time, need childcare, etc., to attend school around their daily lives, while the site-based program also gives students the daily face-to-face psychosocial support they may need to overcome their challenges and remain enrolled in school. For the past three years, more than 90% of the eligible senior class of YCCS Virtual High School has successfully graduated.
“Alec is learning at his own pace, in his own way.”
“Alec is happy again. Through the school’s social outings, Alec has made more friends than he has ever had. And these are real friends.”

“My son Alec attended public school, where he usually did well, earning all A’s. But when he entered junior high school—it was a nightmare. There were too many unsupervised kids, and Alec had an awful time trying to learn anything. He didn’t fit in with the children who were popular—and really, I didn’t want him to fit in with them. The environment was really hard on Alec, and he lost who he was. He started retreating into this shell, and it scared me. He was always so happy and outgoing.

“I learned about Nevada Virtual Academy (NVVA) and decided to give it a try, hoping online schooling would be a better fit for Alec. And I’m happy to say, he has flourished since the very first month. Alec is excited about learning again. He’s improved his Scantron scores amazingly since the beginning of the year. He’s not distracted by other students, and he doesn’t worry about what they’re saying or might do to him. He sleeps well again, and he isn’t afraid when Sunday night comes, anticipating what might happen to him at school on Monday.

“Alec is happy again. Through the school’s social outings, Alec has made more friends than he has ever had. And these are real friends. I’m proud of his relationships with them. He’s in the National Junior Honors Society, and has even been chosen as Student of the Month. I’m seeing my outgoing kid again.

“I want Alec to be happy in whatever he decides to do with his life, and to be happy with who he is. I feel NVVA allows him to do that. This program helps him to excel wherever he can and to learn more slowly if he needs to. I believe in not overburdening a child, and this program agrees with my thinking. Alec is learning at his own pace, in his own way, and I feel that’s helping him flourish.”
Conclusion
As this report underscores, technology-powered individualized learning is indeed at an inflection point as this type of learning drives a full-scale transformation of our education system, and K12 is leading the industry in realizing the opportunities that exist for individualized learning and in addressing the challenges that are part of such an important transition. Partnering with states, districts, parents, and students, K12 is committed to making the vision of an individualized education a reality, by:

• creating a model for the industry with the broadest array of options across the individualized learning spectrum, providing an extensive portfolio of online curricula, academic services, and online learning solutions to public and private schools and districts, traditional classrooms, blended school programs, and directly to families;

• building a state-of-the-art learning platform on the principles of cognitive science, outstanding standardized content, the power of interactivity, and convenient, anywhere, anytime access;

• realizing the opportunities presented by online learning to provide a high-quality education for children in any economic circumstance or geographic location, provide differentiated learning experiences at scale, make excellent teaching available to any school and any child, improve measurement and accountability, and deliver more for less;

• addressing critical challenges, including a growing academically at-risk population, appropriate measurement, high mobility, and student engagement; and

• investing hundreds of millions of dollars in state-of-the-art curriculum and learning technology from games to new media and other digital tools; recruitment and training of 21st-century teachers; remedial products and interventions, including multiple learning pathways for at-risk students; and efforts to increase retention, maintain high satisfaction, and increase student engagement.

Although the challenge of a rising number of academically at-risk students has caused some K12-managed public schools’ standardized test scores to fall below state averages, these schools are delivering results: The Scantron Performance Series scores demonstrate gains close to or above the Scantron Norm Group for all grade levels tested for the past three years in Reading and Math. State-by-state details are broken out in the following section.

We recognize that we have a long way to go. Moving forward, K12 is seeking to partner more closely than ever with states, districts, parents, and students to realize the full promise of individualized learning. We’re committed to rising to the challenge, day-by-day, on behalf of the students, families, districts, school boards, and educators who put their trust in us.
Academic Report Cards
Spring 2012
**Agora Cyber Charter School**

Grades Served: K–12  
Total Student Enrollment: 9057  
Website: [http://www.k12.com/agora](http://www.k12.com/agora)

<table>
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<th>% Students Eligible for Free/Reduced Priced Meals:</th>
<th>% Students Eligible for Special Education Services:</th>
<th>% Students Enrolled at Testing who were New in 2011–2012:</th>
<th>% Students who are Minority:</th>
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<td>19%</td>
<td>57%</td>
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**Scantron Performance Series Gains**

Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

**Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group**

**Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group**

- Math Gains 0910 (n=2005)
- Math Gains 1011 (n=2705)
- Math Gains 1112 (n=3267)
- Scantron National Norm Group Mean Gains

- Reading Gains 0910 (n=1961)
- Reading Gains 1011 (n=2661)
- Reading Gains 1112 (n=3100)
- Scantron National Norm Group Mean Gains
Alaska Virtual Academy

Grades Served: K–8
Total Student Enrollment: 166
Website: http://www.k12.com/akva

% Students Eligible for Free/Reduced Priced Meals: 44%
% Students Eligible for Special Education Services: 5%
% Students Enrolled at Testing who were New in 2011–2012: 88%
% Students who are Minority: 30%

Scantron Performance Series Gains

Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Grade-level group sizes are too small to report.
Arizona Virtual Academy

Grades Served: K–12  
Total Student Enrollment: 4889

Website: http://www.k12.com/azva

% Students Eligible for Free/Reduced Priced Meals: 59%  
% Students Eligible for Special Education Services: 12%  
% Students Enrolled at Testing who were New in 2011–2012: 57%  
% Students who are Minority: 31%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group
Arkansas Virtual Academy

Grades Served: K–8  
Total Student Enrollment: 489  
Website: http://www.k12.com/arva

% Students Eligible for Free/Reduced Priced Meals: 59%  
% Students Eligible for Special Education Services: 13%  
% Students Enrolled at Testing who were New in 2011–2012: 35%  
% Students who are Minority: 17%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group
California Virtual Academies

Grades Served: K-12
Total Student Enrollment: 13082
Website: http://www.k12.com/cava

% Students Eligible for Free/Reduced Priced Meals: 54%  
% Students Eligible for Special Education Services: 9%  
% Students Enrolled at Testing who were New in 2011-2012: 50%  
% Students who are Minority: 47%

Scantron Performance Series Gains

Students in grades 3-10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

California Virtual Academies

Grades Served: K-12
Total Student Enrollment: 13082
Website: http://www.k12.com/cava

% Students Eligible for Free/Reduced Priced Meals: 54%  
% Students Eligible for Special Education Services: 9%  
% Students Enrolled at Testing who were New in 2011-2012: 50%  
% Students who are Minority: 47%

Scantron Performance Series Gains

Students in grades 3-10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group
Chicago Virtual Charter School

Grades Served: K–12
Total Student Enrollment: 565
Website: http://www.k12.com/cvcs

% Students Eligible for Free/Reduced Priced Meals: 61%
% Students Eligible for Special Education Services: 10%
% Students Enrolled at Testing who were New in 2011–2012: 32%
% Students who are Minority: 81%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group
Scantron Performance Series Gains

Students in grades 3-10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

**Scantron Performance Series™ MATH Gains:**
SY 11-12 compared to the Scantron National Norm Group

- Math Gains 0910 (n=1988)
- Math Gains 1011 (n=2170)
- Math Gains 1112 (n=1756)
- Scantron National Norm Group Mean Gains

**Scantron Performance Series™ READING Gains:**
SY 11-12 compared to the Scantron National Norm Group

- Reading Gains 0910 (n=1982)
- Reading Gains 1011 (n=2194)
- Reading Gains 1112 (n=1740)
- Scantron National Norm Group Mean Gains

Colorado Virtual Academy

Grades Served: K-12
Total Student Enrollment: 4057

% Students Eligible for Free/Reduced Priced Meals: 31%
% Students Eligible for Special Education Services: 12%
% Students Enrolled at Testing who were New in 2011-2012: 51%
% Students who are Minority: 22%

Website: http://www.k12.com/cova
Community Academy Public Charter School Online

Grades Served: K–8
Total Student Enrollment: 95
Website: http://www.k12.com/capcs

% Students Eligible for Free/Reduced Priced Meals: 40%
% Students Eligible for Special Education Services: 12%
% Students Enrolled at Testing who were New in 2011–2012: 47%
% Students who are Minority: 81%

Scantron Performance Series Gains

Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Grade-level group sizes are too small to report.
Georgia Cyber Academy

Grades Served: K–11
Total Student Enrollment: 8757
Website: http://www.k12.com/gca

% Students Eligible for Free/Reduced Priced Meals: 62%

% Students Eligible for Special Education Services: 10%

% Students Enrolled at Testing who were New in 2011–2012: 54%

% Students who are Minority: 41%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains:
SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains:
SY 11-12 compared to the Scantron National Norm Group

NOTE: Differences in N sizes tested on Scantron Performance Series gains, as reported below, and all school population, as reported above, may be explained by the fact that students must be enrolled in grades 3–10 and test by October 31 to be included in these reports. Further, they must also test in the spring, not before May 1.

Website:  http://www.k12.com/gca
Hawaii Technology Academy

Grades Served: K–12
Total Student Enrollment: 830
Website: http://www.k12.com/hta

% Students Eligible for Free/Reduced Priced Meals: Not Reported
% Students Eligible for Special Education Services: 4%
% Students Enrolled at Testing who were New in 2011–2012: 46%
% Students who are Minority: 61%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Website: http://www.k12.com/hta
Hoosier Virtual Academies

Grades Served: 1–10 (VPS), K–12 (Indy), K–8 (Muncie)
Total Student Enrollment: 2548

Website: http://www.k12.com/ha

Scantron Performance Series Gains

Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

### Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

- 3rd grade gains: Math Gains 0910 (n=238)
- 4th grade gains: Math Gains 1011 (n=269)
- 5th grade gains: Math Gains 1112 (n=924)
- Scantron National Norm Group Mean Gains

### Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

- 3rd grade gains: Reading Gains 0910 (n=235)
- 4th grade gains: Reading Gains 1011 (n=272)
- 5th grade gains: Reading Gains 1112 (n=952)
- Scantron National Norm Group Mean Gains

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% Students Eligible for Free/Reduced Priced Meals: 38%
% Students Eligible for Special Education Services: 11%
% Students Enrolled at Testing who were New in 2011-2012: 61%
% Students who are Minority: 18%
Idaho Virtual Academy

Grades Served: K–12
Total Student Enrollment: 2875
Website: http://www.k12.com/idva

% Students Eligible for Free/Reduced Priced Meals: 63%
% Students Eligible for Special Education Services: 10%
% Students Enrolled at Testing who were New in 2011–2012: 47%
% Students who are Minority: 12%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11–12 compared to the Scantron National Norm Group

<table>
<thead>
<tr>
<th>Grade</th>
<th>Math Gains 0910 (n=1217)</th>
<th>Math Gains 1011 (n=1159)</th>
<th>Math Gains 1112 (n=1022)</th>
<th>Scantron National Norm Group Mean Gains</th>
</tr>
</thead>
</table>

Scantron Performance Series™ READING Gains: SY 11–12 compared to the Scantron National Norm Group

<table>
<thead>
<tr>
<th>Grade</th>
<th>Reading Gains 0910 (n=1209)</th>
<th>Reading Gains 1011 (n=1146)</th>
<th>Reading Gains 1112 (n=1029)</th>
<th>Scantron National Norm Group Mean Gains</th>
</tr>
</thead>
</table>
### Insight School of Colorado

**Grades Served:** 7–12  
**Total Student Enrollment:** 582  
**Website:** http://co.insightschools.net

<table>
<thead>
<tr>
<th></th>
<th>% Students Eligible for Free/Reduced Priced Meals:</th>
<th>% Students Eligible for Special Education Services:</th>
<th>% Students Enrolled at Testing who were New in 2011–2012:</th>
<th>% Students who are Minority:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not Reported</td>
<td></td>
<td>6%</td>
<td>73%</td>
</tr>
</tbody>
</table>

**Scantron Performance Series Gains**

Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Grade-level group sizes are too small to report.
Insight School of Kansas

Grades Served: 7–12
Total Student Enrollment: 304
Website: http://ks.insightschools.net

% Students Eligible for Free/Reduced Priced Meals: Not Reported
% Students Eligible for Special Education Services: 11%
% Students who are Minority: 55%
% Students Enrolled at Testing who were New in 2011–2012: 55%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Website: http://ks.insightschools.net
Insight School of Minnesota

Grades Served: 9–12
Total Student Enrollment: 403
Website: http://mn.insightschools.net

% Students Eligible for Free/Reduced Priced Meals: Not Reported
% Students Eligible for Special Education Services: 11%
% Students Enrolled at Testing who were New in 2011–2012: 73%
% Students who are Minority: 16%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Grade-level group sizes are too small to report.
Insight School of California–North Bay

Grades Served: 9–12
Total Student Enrollment: 250

Website: http://ca.insightschools.net

% Students Eligible for Free/Reduced Priced Meals: 32%
% Students Eligible for Special Education Services: 13%
% Students Enrolled at Testing who were New in 2011–2012: 69%
% Students who are Minority: 42%

Scantron Performance Series Gains

Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Grade-level group sizes are too small to report.
Insight School of Washington

Grades Served: 9–12  
Total Student Enrollment: 1750  
Website: http://wa.insightschools.net  

% Students Eligible for Free/Reduced Priced Meals:  
Not Reported  
% Students Eligible for Special Education Services:  
9%  
% Students Enrolled at Testing who were New in 2011–2012:  
57%  
% Students who are Minority:  
25%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

0 50 100 150 200
9th 10th

(Math Gains 1112 (n=61)  
Scantron National Norm Group Mean Gains)

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

0 50 100 150 200
9th 10th

(Reading Gains 1112 (n=75)  
Scantron National Norm Group Mean Gains)
Lawrence Virtual High School

Grades Served: 9–12
Total Student Enrollment: 156
Website: http://www.k12.com/lvs

% Students Eligible for Free/Reduced Priced Meals: 10%
% Students Eligible for Special Education Services: 12%
% Students Enrolled at Testing who were New in 2011–2012: 80%
% Students who are Minority: 21%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Website: http://www.k12.com/lvs
Louisiana Virtual Charter Academy

Grades Served: K–11  
Total Student Enrollment: 1130  
Website: http://www.k12.com/lavca

% Students Eligible for Free/Reduced Priced Meals: 63%  
% Students Eligible for Special Education Services: 13%  
% Students Enrolled at Testing who were New in 2011–2012: 100%  
% Students who are Minority: 23%

Scantron Performance Series Gains

Students in grades 3–10 in K–12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K–12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group
Massachusetts Virtual Academy @ Greenfield

Grades Served: K–8
Total Student Enrollment: 450
Website: http://www.k12.com/mava

% Students Eligible for Free/Reduced Priced Meals: 45%
% Students Eligible for Special Education Services: 4%
% Students Enrolled at Testing who were New in 2011–2012: 60%
% Students who are Minority: 29%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group
Michigan Virtual Charter Academy

Grades Served: K–12  
Total Student Enrollment: 727

Website:  http://www.k12.com/mvca

Scanntron Performance Series Gains

Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

<table>
<thead>
<tr>
<th>Grades</th>
<th>Math Gains 1011 (n=169)</th>
<th>Math Gains 1112 (n=270)</th>
<th>Scantron National Norm Group Mean Gains</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd</td>
<td>300</td>
<td>250</td>
<td>200</td>
</tr>
<tr>
<td>4th</td>
<td>250</td>
<td>200</td>
<td>150</td>
</tr>
<tr>
<td>5th</td>
<td>200</td>
<td>150</td>
<td>100</td>
</tr>
<tr>
<td>6th</td>
<td>150</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>7th</td>
<td>100</td>
<td>50</td>
<td>0</td>
</tr>
<tr>
<td>8th</td>
<td>50</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>9th</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>10th</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Website:  http://www.k12.com/mvca
Minnesota Virtual Academy

Grades Served: K-12
Total Student Enrollment: 1896

Website: http://www.k12.com/mnva

% Students Eligible for Free/Reduced Priced Meals: 3%
% Students Eligible for Special Education Services: 9%
% Students Enrolled at Testing who were New in 2011-2012: 45%
% Students who are Minority: 21%

Scantron Performance Series Gains

Students in grades 3-10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Website: http://www.k12.com/mnva
Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group
Ohio Virtual Academy

Grades Served: K–12  
Total Student Enrollment: 11875
Website: http://www.k12.com/ohva

% Students Eligible for Free/Reduced Priced Meals: 69%  
% Students Eligible for Special Education Services: 13%  
% Students Enrolled at Testing who were New in 2011–2012: 49%  
% Students who are Minority: 21%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Website: http://www.k12.com/ohva
Oklahoma Virtual Charter Academy

Grades Served: K–12
Total Student Enrollment: 1632
Website: http://www.k12.com/ovca

% Students Eligible for Free/Reduced Priced Meals: 58%
% Students Eligible for Special Education Services: 4%
% Students Enrolled at Testing who were New in 2011–2012: 69%
% Students who are Minority: 10%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11–12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11–12 compared to the Scantron National Norm Group
Oregon Virtual Academy

Grades Served: K–11
Total Student Enrollment: 1361
Website: http://www.k12.com/orva

% Students Eligible for Free/Reduced Priced Meals: 60%
% Students Eligible for Special Education Services: 13%
% Students Enrolled at Testing who were New in 2011–2012: 72%
% Students who are Minority: 14%

Scantron Performance Series Gains

Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains:
SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains:
SY 11-12 compared to the Scantron National Norm Group

Website:  http://www.k12.com/orva
San Francisco Flex Academy

Grades Served: 9–12
Total Student Enrollment: 158
Website:  http://www.k12.com/sfflex

% Students Eligible for Free/Reduced Priced Meals: 39%
% Students Eligible for Special Education Services: 11%
% Students Enrolled at Testing who were New in 2011–2012: 72%
% Students who are Minority: 72%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group
Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

<table>
<thead>
<tr>
<th>Grade</th>
<th>Math Gains 11-12 (n=92)</th>
<th>Scantron National Norm Group Mean Gains</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th</td>
<td>100</td>
<td>-50</td>
</tr>
<tr>
<td>7th</td>
<td>50</td>
<td>0</td>
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<tr>
<td>8th</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>9th</td>
<td>-50</td>
<td>100</td>
</tr>
<tr>
<td>10th</td>
<td>-100</td>
<td>150</td>
</tr>
</tbody>
</table>

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

<table>
<thead>
<tr>
<th>Grade</th>
<th>Reading Gains 11-12 (n=88)</th>
<th>Scantron National Norm Group Mean Gains</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th</td>
<td>50</td>
<td>-100</td>
</tr>
<tr>
<td>7th</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>8th</td>
<td>-50</td>
<td>100</td>
</tr>
<tr>
<td>9th</td>
<td>-100</td>
<td>150</td>
</tr>
<tr>
<td>10th</td>
<td>-150</td>
<td>200</td>
</tr>
</tbody>
</table>
Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

### Scantron Performance Series™ MATH Gains:
SY 11-12 compared to the Scantron National Norm Group

- 3rd Grade Math Gains 0910 (n=838)
- 4th Grade Math Gains 0910 (n=1005)
- 5th Grade Math Gains 0910 (n=1012)
- 6th Grade Math Gains 0910 (n=1005)
- 7th Grade Math Gains 0910 (n=1005)
- 8th Grade Math Gains 0910 (n=1005)
- 9th Grade Math Gains 0910 (n=1005)
- 10th Grade Math Gains 0910 (n=1005)
- Scantron National Norm Group Mean Gains

### Scantron Performance Series™ READING Gains:
SY 11-12 compared to the Scantron National Norm Group

- 3rd Grade Reading Gains 0910 (n=832)
- 4th Grade Reading Gains 0910 (n=1004)
- 5th Grade Reading Gains 0910 (n=1010)
- 6th Grade Reading Gains 0910 (n=1010)
- 7th Grade Reading Gains 0910 (n=1010)
- 8th Grade Reading Gains 0910 (n=1010)
- 9th Grade Reading Gains 0910 (n=1010)
- 10th Grade Reading Gains 0910 (n=1010)
- Scantron National Norm Group Mean Gains

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**South Carolina Virtual Charter School**

Grades Served: K–12  
Total Student Enrollment: 2876  
Website: http://www.k12.com/scvcs

<table>
<thead>
<tr>
<th>% Students Eligible for Free/Reduced Priced Meals</th>
<th>% Students Eligible for Special Education Services</th>
<th>% Students Enrolled at Testing who were New in 2011-2012</th>
<th>% Students who are Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>48%</td>
<td>10%</td>
<td>58%</td>
<td>23%</td>
</tr>
</tbody>
</table>

---

South Carolina Virtual Charter School

Grades Served: K–12  
Total Student Enrollment: 2876  
Website: http://www.k12.com/scvcs

<table>
<thead>
<tr>
<th>% Students Eligible for Free/Reduced Priced Meals</th>
<th>% Students Eligible for Special Education Services</th>
<th>% Students Enrolled at Testing who were New in 2011-2012</th>
<th>% Students who are Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>48%</td>
<td>10%</td>
<td>58%</td>
<td>23%</td>
</tr>
</tbody>
</table>
Tennessee Virtual Academy

Grades Served: K–8
Total Student Enrollment: 1932
Website: http://www.k12.com/tnva

% Students Eligible for Free/Reduced Priced Meals: 62%
% Students Eligible for Special Education Services: 10%
% Students Enrolled at Testing who were New in 2011–2012: 100%
% Students who are Minority: 18%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

**Scantron Performance Series™ MATH Gains: SY 11–12 compared to the Scantron National Norm Group**

**Scantron Performance Series™ READING Gains: SY 11–12 compared to the Scantron National Norm Group**

Website:  http://www.k12.com/tnva
Scantron Performance Series Gains

Students in grades 3-10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Texas Virtual Academy

Grades Served: 3-12
Total Student Enrollment: 3492
Website: http://www.k12.com/txva

% Students Eligible for Free/Reduced Priced Meals: 42%
% Students Eligible for Special Education Services: 10%
% Students Enrolled at Testing who were New in 2011-2012: 62%
% Students who are Minority: 47%

Texas Virtual Academy
Grades Served: 3-12
Total Student Enrollment: 3492
Website: http://www.k12.com/txva

% Students Eligible for Free/Reduced Priced Meals: 42%
% Students Eligible for Special Education Services: 10%
% Students Enrolled at Testing who were New in 2011-2012: 62%
% Students who are Minority: 47%

Scantron Performance Series Gains
Students in grades 3-10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Texas Virtual Academy
Grades Served: 3-12
Total Student Enrollment: 3492
Website: http://www.k12.com/txva

% Students Eligible for Free/Reduced Priced Meals: 42%
% Students Eligible for Special Education Services: 10%
% Students Enrolled at Testing who were New in 2011-2012: 62%
% Students who are Minority: 47%
Utah Virtual Academy

Grades Served: K–12
Total Student Enrollment: 1977
Website: http://www.k12.com/utva

% Students Eligible for Free/Reduced Priced Meals: 52%
% Students Eligible for Special Education Services: 14%
% Students Enrolled at Testing who were New in 2011–2012: 56%
% Students who are Minority: 10%

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Website: http://www.k12.com/utva
Virginia Virtual Academy

Grades Served: K–8
Total Student Enrollment: 447
Website: http://www.k12.com/vava

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

% Students Eligible for Free/Reduced Priced Meals: 25%
% Students Eligible for Special Education Services: 10%
% Students Enrolled at Testing who were New in 2011–2012: 39%
% Students who are Minority: 37%

Website: http://www.k12.com/vava
Washington Virtual Academies  

Grades Served: K-12
Total Student Enrollment: 3967
Website: http://www.k12.com/wava

% Students Eligible for Free/Reduced Priced Meals: 14%
% Students Eligible for Special Education Services: 10%
% Students Enrolled at Testing who were New in 2011-2012: 52%
% Students who are Minority: 24%

Scantron Performance Series Gains

Students in grades 3-10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

**Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group**

- Math Gains 0910 (n=950)
- Math Gains 1011 (n=967)
- Math Gains 1112 (n=1161)
- Scantron National Norm Group Mean Gains

**Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group**

- Reading Gains 0910 (n=945)
- Reading Gains 1011 (n=998)
- Reading Gains 1112 (n=1161)
- Scantron National Norm Group Mean Gains
Wisconsin Virtual Academy

Grades Served: K–12  
Total Student Enrollment: 905  
Website: http://www.k12.com/wiva

% Students Eligible for Free/Reduced Priced Meals: 12%  
% Students Eligible for Special Education Services: 9%  
% Students Enrolled at Testing who were New in 2011–2012: 52%  
% Students who are Minority: 17%

Scantron Performance Series Gains

Students in grades 3–10 in K12-managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12-managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Website: http://www.k12.com/wiva
Wyoming Virtual Academy

Grades Served: K–12
Total Student Enrollment: 627
Website: http://www.k12.com/wyva

<table>
<thead>
<tr>
<th>% Students Eligible for Free/Reduced Priced Meals:</th>
<th>% Students Eligible for Special Education Services:</th>
<th>% Students Enrolled at Testing who were New in 2011–2012:</th>
<th>% Students who are Minority:</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>12%</td>
<td>57%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Scantron Performance Series Gains

Students in grades 3–10 in K12–managed public schools take the Scantron Performance Series exam as a means to determine annual growth from fall to spring. The charts below compare the K12–managed school’s gains to those of the Scantron National Norm Group.

Scantron Performance Series™ MATH Gains: SY 11-12 compared to the Scantron National Norm Group

Scantron Performance Series™ READING Gains: SY 11-12 compared to the Scantron National Norm Group

Website: http://www.k12.com/wyva
# YCCS Virtual High School

<table>
<thead>
<tr>
<th>% Students Eligible for Free/Reduced Priced Meals:</th>
<th>% Students Eligible for Special Education Services:</th>
<th>% Students Enrolled at Testing who were New in 2011–2012:</th>
<th>% Students who are Minority:</th>
</tr>
</thead>
<tbody>
<tr>
<td>99%</td>
<td>10%</td>
<td>95%</td>
<td>99%</td>
</tr>
</tbody>
</table>

**Grades Served:** 9–12  
**Total Student Enrollment:** 115  
**Website:** [http://www.k12.com/yccs](http://www.k12.com/yccs)

## Scantron Performance Series Gains

YCCS primarily has 12th-Grade students and adult learners. There is no Scantron National Norm Group for this age group.
APPENDIX A – Scantron Scale Score Data and Significance Determination

Table 1 shows the 2011–2012 school year Scantron Performance Series mean Fall and Spring scale scores for K12-managed public school students by grade level, as well as the difference, which represents the mean gain for students from fall to spring. Scantron provides the observed gains from fall to spring for its Norm Group, a group that reflects national ethnic, regional, and gender diversity trends. Students’ performance, for this report, is compared to the performance of the Scantron Norm Group. In instances where K12-managed public school students achieve higher gains than the Scantron Norm Group, the percent of Scantron Norm Group gain achieved is greater than 100%.

Table 1. Grade-Level Gains in Mean Scale Score from Fall 2011 to Spring 2012

<table>
<thead>
<tr>
<th>Row Labels</th>
<th>Student count</th>
<th>Mean Fall 2011 scale score</th>
<th>Mean Spring 2012 scale score</th>
<th>Mean Gain in group</th>
<th>Average of % of Scantron Norm Group gain achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Math</td>
<td>38781</td>
<td>2640</td>
<td>2739</td>
<td>99</td>
<td>97%</td>
</tr>
<tr>
<td>3rd Grade</td>
<td>3956</td>
<td>2341</td>
<td>2514</td>
<td>173</td>
<td>109%</td>
</tr>
<tr>
<td>4th Grade</td>
<td>4222</td>
<td>2460</td>
<td>2597</td>
<td>137</td>
<td>102%</td>
</tr>
<tr>
<td>5th Grade</td>
<td>4801</td>
<td>2544</td>
<td>2671</td>
<td>127</td>
<td>98%</td>
</tr>
<tr>
<td>6th Grade</td>
<td>5464</td>
<td>2619</td>
<td>2731</td>
<td>112</td>
<td>105%</td>
</tr>
<tr>
<td>7th Grade</td>
<td>6027</td>
<td>2695</td>
<td>2785</td>
<td>90</td>
<td>95%</td>
</tr>
<tr>
<td>8th Grade</td>
<td>6478</td>
<td>2750</td>
<td>2818</td>
<td>68</td>
<td>88%</td>
</tr>
<tr>
<td>9th Grade</td>
<td>4128</td>
<td>2806</td>
<td>2864</td>
<td>58</td>
<td>107%</td>
</tr>
<tr>
<td>10th Grade</td>
<td>3705</td>
<td>2849</td>
<td>2892</td>
<td>42</td>
<td>78%</td>
</tr>
</tbody>
</table>

| Reading    | 38727         | 2929 | 3030 | 101 | 196%                                          |
| 3rd Grade  | 3922          | 2586 | 2762 | 176 | 98%                                           |
| 4th Grade  | 4187          | 2735 | 2876 | 141 | 107%                                          |
| 5th Grade  | 4795          | 2837 | 2946 | 109 | 116%                                          |
| 6th Grade  | 5494          | 2930 | 3020 |  90 | 146%                                          |
| 7th Grade  | 6035          | 2997 | 3084 |  87 | 181%                                          |
| 8th Grade  | 6418          | 3038 | 3123 |  86 | 238%                                          |
| 9th Grade  | 4172          | 3099 | 3177 |  78 | 391%                                          |
| 10th Grade | 3704          | 3143 | 3203 |  60 | 316%                                          |
Statistical Significance of Scantron Gains

Using the Scantron Performance Series Technical Report, a study was conducted to determine if the gains by students in K12-managed public schools were significantly different from those in the Scantron Norm Group. A one-sample t-test was conducted to compare the K12 Scantron gains with the Scantron Norm Group gains.

In Reading, the gain scores of students in grades 4–10 were significantly higher than the gain scores of students in the Scantron Norm Group. The gain scores of students in Grade 3 were not significantly different from the gain scores of students in the Scantron Norm Group (see Table 2).

Table 2. Reading Gain Comparison

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>3</th>
<th>4*</th>
<th>5*</th>
<th>6*</th>
<th>7*</th>
<th>8*</th>
<th>9*</th>
<th>10*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reading</td>
<td>K12</td>
<td>Norm Group</td>
<td>K12</td>
<td>Norm Group</td>
<td>K12</td>
<td>Norm Group</td>
<td>K12</td>
<td>Norm Group</td>
</tr>
<tr>
<td>Average Gain</td>
<td>176</td>
<td>179</td>
<td>141</td>
<td>132</td>
<td>109</td>
<td>94</td>
<td>90</td>
<td>62</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>261</td>
<td>156</td>
<td>239</td>
<td>148</td>
<td>208</td>
<td>139</td>
<td>200</td>
<td>130</td>
</tr>
<tr>
<td>N</td>
<td>3950</td>
<td>2586</td>
<td>4219</td>
<td>2964</td>
<td>4837</td>
<td>2398</td>
<td>5531</td>
<td>4161</td>
</tr>
</tbody>
</table>

*The difference between the two average gain scores is significant at p=.05

The findings showed that in math, the gain scores of students in grades 4 and 6 were significantly higher than the gain scores of students in the Scantron Norm Group. The gain scores of students in grades 3, 5, and 9 were not significantly different from the gain scores of students in the Scantron Norm Group. Students in grades 7, 8, and 10 had significantly lower gain scores than those of the Scantron Norm Group (see Table 3).

Table 3. Math Gain Comparison

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>3</th>
<th>4*</th>
<th>5*</th>
<th>6*</th>
<th>7*</th>
<th>8*</th>
<th>9*</th>
<th>10*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Math</td>
<td>K12</td>
<td>Norm Group</td>
<td>K12</td>
<td>Norm Group</td>
<td>K12</td>
<td>Norm Group</td>
<td>K12</td>
<td>Norm Group</td>
</tr>
<tr>
<td>Average Gain</td>
<td>173</td>
<td>169</td>
<td>137</td>
<td>126</td>
<td>127</td>
<td>130</td>
<td>112</td>
<td>106</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>196</td>
<td>95</td>
<td>181</td>
<td>97</td>
<td>175</td>
<td>104</td>
<td>166</td>
<td>101</td>
</tr>
<tr>
<td>N</td>
<td>3985</td>
<td>3084</td>
<td>4254</td>
<td>3822</td>
<td>4842</td>
<td>2841</td>
<td>5499</td>
<td>4431</td>
</tr>
</tbody>
</table>

*The difference between the two average gain scores is significant at p=.05