

March 2013
ALHS Online Update Report

Dr. Jim Grunwald
 ALHS Online Superintendent



ALHS
 Online
<http://www.alhso.org>

Purpose of ALHS-Online

The purpose of ALHS Online is to develop and facilitate the offering of a series of high quality online courses taught from a Scriptural perspective. These courses are intended to strengthen the curricular offerings of all schools involved by allowing them to pool students and faculty resources in a cost effective fashion.

Historical Background

At the direction of the WELS Association of Lutheran High Schools, an ALHS Online committee was formed in 2009 to investigate the feasibility of offering online high school courses between ALHS member schools. This led to a 2-year pilot program to better gauge the interest and cost-effectiveness of such a program.

After much preparation, the first two courses were offered during the fall semester of 2011-12, with a total enrollment of 32 students. Three courses were offered during the spring semester, with 28 students enrolled. Students from 8 different ALHS schools had at least one student enrolled in a course in 2011-12. By God's blessing, the level of student and school participation during the first year greatly exceed original projections.

Current Enrollments

The 2012-13 school year continued to show strong growth evidenced by additional courses being offered, increased enrollment numbers, and participation by additional ALHS schools.

Four courses were offered during the first semester and six during the second semester. Enrollment during the first semester was 55 students from 10 ALHS schools and one home schooled student. Second semester included 52 students from 10 ALHS schools. There were 72 different students enrolled during the year across the following grade levels; 9 in 10th, 18 in 11th, 45 in 12th.

Student Participation by School: Fall Semester 2012-13											
DSA	home	HVL	ILHS	LLHS	Luther	Man-LHS	MVL	NELHS	Shore-land	West	Total
1	1	4	16	1	1	12	7	4	1	7	55

Student Participation by School: Spring Semester 2012-13										
DSA	GPL	HVL	ILHS	LLHS	Man-LHS	MVL	NELHS	Shore-land	West	Total
1	1	2	16	3	9	5	5	1	9	52

Comparison between 2011-12 and 2012-13 courses/enrollments			
	2011-12	2012-13	% increase
#Courses	5	10	100%
# Student Seats	32+28=60	55+52=107	78%

Administrative Structure Changes

Due to the rapid growth of ALHS Online during the pilot phase of the program, as evidenced by ALHS school and student participation, it became clear that ALHS Online was a viable option to coordinate the offering of online courses between WELS Area Lutheran High schools. Since ALHS Online was paying instructors to develop and teach the courses, and the government desired its fair share of any possible tax revenue, ALHS Online needed to change its business model and administrative structure. After reviewing several business models and consulting with an attorney, it was decided that the best course of action was for ALHS Online to become a MN-based non-profit corporation.

ALHS Online filed Articles of Incorporation in the state of Minnesota in early August 2012 and became a MN non-profit corporation on August 10, 2012. Bylaws were written and approved on November 12, 2012. The initial members of the Board of Directors of ALHS Online are Timothy Plath (chairman), Theodore Klug (vice-chairman), Greg Schmill (secretary), Peter Baganz (treasurer), Joseph Du Fore, and LeDell Plath. The board appointed James Grunwald to serve as Superintendent of ALHS Online to oversee the day to day operations of the organization. Board members are non-paid volunteers. They are elected by the board to a two-year term and they may serve three consecutive terms. (If interested, a copy of the bylaws may be obtained by contacting Jim Grunwald.)

As stated in the Articles of Incorporation and the Bylaws, "*ALHS Online is organized exclusively for charitable and educational purposes. The main purpose is to develop and facilitate the offering of online courses, taught from a Scriptural perspective, among the high schools of the Wisconsin Evangelical Lutheran Synod.*"

After consulting with a CPA, in early December, 2012, ALHS Online applied for 501 (c) (3) tax exempt status with the IRS as a non-profit organization. It is expected to take at least 3 months to receive approval for such status. Course instructors are being treated as "independent contractors" for tax purposes. All federal and state tax policies are being followed.

Financial Status

ALHS Online received a \$10,000 grant in 2009 to start the pilot program. A \$1000 anonymous donation was also received in 2010. Since ALHS Online needs to be self-supporting, all ongoing support comes from course tuition. Tuition was kept as low as possible (\$150) during the initial year, in order to attract student/school participation. The actual tuition needed to be self-supporting is about \$300 per student, per semester course. During the current 2012-13 year tuition was raised to \$200 and will increase to \$230 for 2013-14. It is projected that tuition will continue to rise on an annual basis until it reaches about \$295 per student per course by 2016-17.

To get the pilot program off the ground, instructor remuneration was also kept low and the interim director position was filled on a voluntary basis. Much of the tuition increase in 2012-13 went toward increasing instructor remuneration and for construction of new courses. It is projected that instructor compensation will increase at about 5% annually through 2016-17 to bring it more in line with current norms. (The current teacher remuneration scale is available in the *Handbook for ALHS Online Teachers and High Schools*, available at ALHS.org.)

During the calendar year 2012, ALHS Online had revenue of \$20,340 and expenses of 12,640. This resulted in net income of \$7,700. (However, it is important to remember the over \$3000 of December tuition income is for semester 2 courses and will be used to help pay course instructors in May 2013.) Combined with previous funds, ALHS Online had just over \$21,000 in its checking account at the end of 2012. Under God's grace, the financial status of ALHS Online is very stable and is expected to maintain a fund balance between \$10,000 and \$20,000 into the foreseeable future.

As ALHS Online has grown, it has become apparent that additional clerical assistance is needed for processing resignation forms, invoicing, bookkeeping, filing tax forms, etc., which will obviously add to administrative expenses in the coming years. Options to address this need are currently being explored.

Future Projections

It is anticipated that, God willing, ALHS Online will continue to grow in the coming years. Indications are that several additional ALHS schools will have students registering for ALHS Online courses in 2013-14 and already participating schools will have larger numbers of students enrolling as more course options are made available.

Several inquiries have come in from home-schooling and public school parents located in areas where no WELS high school is available. Of particular interest to such parents is the development of a 4-year high school religion curriculum. (Such a curriculum is being developed.) There has also been some interest expressed by WELS elementary schools for students to be able to take some freshman level courses while still in 8th grade.

Course offerings will continue to increase in the coming years. God willing, 5 new full-year courses will make their debut in 2013-14; Doctrine, Latin I, German I, Spanish I, and AP Environmental Science. This will result in 10 courses each semester. (Specific courses and course descriptions are available on the ALHSO.org website.) It is projected that new course offerings will continue to be developed at the rate of about 3-5 per year. Which courses get developed first is highly dependent upon instructor availability and interest areas expressed by ALHS schools. Of greatest concern at the moment is finding qualified online instructors with time to develop and teach online courses. But we move forward in confidence that God will provide in this area too.

To God be the glory,

Dr. Jim Grunwald
ALHS Online Superintendent