



K12 Inc. Responds to the Florida Inspector General's Draft Report

April 24, 2013

HERNDON, Va., April 23, 2013 /PRNewswire/ -- In response to the public release of a draft report from the Florida Department of Education's Office of Inspector General, K12 Inc. (NYSE: LRN) released the following statement:

(Logo: <http://photos.prnewswire.com/prnh/20110113/PH29436LOGO>)

The Florida Department of Education's Office of Inspector General (OIG) has not yet released its final report related to allegations made by Seminole County Public Schools (SCPS) about K12 Inc. and teacher certification matters. However, a draft report has been made public.

We are pleased that the draft report conclusively finds that the primary allegations made by SCPS are unsubstantiated. K12 did not implement a system to intentionally avoid Florida's teacher certification requirements.

The OIG draft report also confirms many of the findings of K12's internal investigation. The report notes the existence of some reporting and record-keeping errors that K12 previously disclosed. Furthermore, the draft report finds no direct evidence to prove the additional claims by SCPS that out-of-area teaching was occurring in the 519 courses provided to SCPS during the 2010-2011 school year. K12 provided documentation to prove that the vast majority of the allegations made by SCPS of out-of-field teaching were inaccurate, however in 16 instances (out of the 519) the records were unable to confirm that in-area teachers were providing instruction.

The OIG report makes clear that it is not a *per se* violation of Florida law for teachers to teach out-of-field, and every year the Department of Education documents the numbers of teachers hired and teaching out-of-field in school districts statewide. Indeed, an official at SCPS stated the district had some 100 teachers teaching out-of-field in 2011-2012 alone.

K12 has already implemented changes to its student data management system and teacher training procedures to improve record-keeping and reporting, including:

- Improved processes to accurately document that teachers providing instruction are fully certified
- Better monitoring involving ongoing audits throughout the school year to ensure certified teachers are properly matched in the appropriate subject and course sections
- Improved communication and collaboration with its district partners.

As a result, K12 believes its instructional model in Florida is fully compliant with all state requirements.

K12 welcomes accountability. The company has been completely transparent and cooperated fully with the Florida Department of Education and the OIG from day one. We appreciate the professionalism displayed throughout by the OIG and its attorneys. K12 is grateful the process is coming to a close and for the opportunity it created to make our internal processes and controls even stronger.

K12 recently received a three-year renewal as an approved virtual instruction program provider from the Florida Department of Education. As one of the first state-approved providers, K12 proudly serves over 40 school districts in Florida as a partner for their Virtual Instruction Programs, and provides curriculum, technology and management services to approved online public charter schools in numerous counties.

K12 takes compliance seriously. It is a core value of the company. K12 is committed to meeting all state requirements and to address any issues and errors that may arise. In all cases, K12's top priority is to put students and families first and employ a high quality virtual instructional model focused on academic success.

About K12 Inc.

K12 Inc. (NYSE: [LRN](#)) is leading the transformation to individualized learning as the nation's foremost provider of technology-powered online solutions for students in pre-kindergarten through high school. K12 has worked with over 2,000 school districts and has delivered more than four million courses over the past decade. K12 provides curricula, academic services, and learning solutions to public schools and districts, traditional classrooms, blended school programs, and families. K12's curriculum is rooted in decades of research combined with 21st-century technology by cognitive scientists, interactive designers and teachers. K12's portfolio of more than 550 unique courses and titles—the most extensive in the technology-based education industry—covers every core subject and four academic levels for high school including Honors and AP. K12 offers credit recovery courses, career-building electives, remediation support, six world languages and a deep STEM offering. 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. More information can be found at [K12.com](#).

Special Note on Forward-Looking Statements

This press release may contain 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 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 April 23, 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.

SOURCE K12 Inc.

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