Casey D. Cobb and Gene V. Glass, *Public and Private Education in America: Examining the Facts* (ABC-CLIO, 2021)

Question 31. Do Today's Full-Time Virtual Schools Offer a High-Quality Education for Students?

 Answer: No. The evidence consistently shows that full-time virtual schools grossly underperform their brick-and-mortar counterparts. Most troubling, enrollment continues to grow in this sector despite its poor achievement record and despite numerous instances of misused public funds. The continued expansion of virtual schools was fueled in the 2010s by intense lobbying on behalf of profit-seeking private companies and weak state regulations. It remains to be seen what the long-term impact of the shift toward online and hybrid schooling during the COVID-19 pandemic will have, both on virtual schools and traditional in-class instruction.

The Facts: Virtual education has expanded considerably over the last two decades. As of 2017, an estimated 2.7 million (5.5 percent) K–12 students participated in some form of online learning, although exact numbers are difficult to pin down (Editorial Projects in Education Research Center, 2017). Online education can be episodic, as when students attending a brick-and-mortar school also enroll in a supplemental (e.g., Advanced Placement) or credit recovery course. There are also "blended" schools and classes, which combine face-to-face instruction in classrooms with online learning. On the other end of the spectrum are full-time virtual schools, where instruction is offered entirely online. Full-time virtual school students participate at home via the internet and by other means of electronic communication. Teachers engage remotely and usually asynchronously. Thus, there is a distinction between *full-time virtual schools* and virtual

education, virtual learning, or virtual schooling more broadly. This question focuses on full-time virtual schools and what the evidence says about their effectiveness.

Full-time virtual schools have grown rapidly since 2000. According to a 2019 report by the National Education Policy Center, full-time virtual or blended schools were in operation in 39 states in the 2017–2018 school year (Molnar et al., 2019). In 2017–2018, 501 full-time virtual schools enrolled nearly 300,000 students while 300 blended schools enrolled more than 132,000. Slightly fewer than half of all virtual schools (46.5 percent) are charter schools, but they account for 79.1 percent of total enrollment (Molnar et al., 2019). The remaining virtual schools are smaller district- or state-run schools and independent schools. Historically, there were a small number of virtual schools that served homebound children who because of disabilities were not able to attend brick-and-mortar schools.

In 2017–2018, the average enrollment in virtual charter schools was 1,345 students, considerably larger than the 344- and 320-student averages among district and independent virtual schools, respectively. The larger average size is likely due to virtual charter schools targeting students statewide, incentivized by the financial benefits of enrolling more students. Private, for-profit Education Management Organizations (EMOs) operated 26.5 percent of all full-time virtual schools in 2017–2018 but accounted for 60.1 percent of all virtual school enrollment. Nonprofit EMOs operated a much smaller percentage, accounting for 7.4 percent of all virtual schools.

Virtual schools appeal to private EMOs because they are set up to be highly profitable. They also appeal to neoliberal policy makers who believe they offer choice, spark innovation, and run more efficiently. The costs to operate virtual schools are considerably less than running traditional brick-and-mortar public schools, yet in most states, virtual schools receive the same

per pupil funding (Pazhouh, Lake, and Miller, 2015). The two largest EMOs, K12 Inc. and Connections, accounted for 59.5 percent of all full-time virtual schools enrollment in 2015, but their share of the total enrollment dropped to 48.4 percent in 2017.

Some virtual charter schools are exceedingly large. Ohio's first online charter school, Electric Classroom of Tomorrow (EMOT), enrolled nearly 14,000 students in 2016–2017. EMOT was run by the for-profit EMO, Altair Learning Management. In January 2018, EMOT was unceremoniously closed after grossly overreporting its student enrollment by nearly 60 percent. According to a *Columbus Dispatch* news article, at one point, the state of Ohio sought up to $80 million in repayments from EMOT (Siegel, 2017).

Poor Academic Outcomes

Although there are a limited number of empirical studies of virtual school outcomes, the overriding consensus is that virtual charter schools perform substantially worse on measures of student achievement and attainment than traditional public schools. The most comprehensive study to date was conducted by a collective of three major research organizations in 2015. The Center for Research on Educational Outcomes (CREDO), Mathematica, Inc., and the Center on Reinventing Public Education published the three-part report, *National Study of Online Charter Schools.* Mathematica, Inc. studied instructional delivery in 127 online charter schools (Gill et al., 2015), the Center on Reinventing Public Education examined the policy environments of online charter schools, and CREDO estimated the effects of online charters on student achievement (Woodworth et al., 2015).

The CREDO study has received the most attention because it focused on student achievement. The study set out to answer, among other questions, how the academic growth of

online charter school students compared to a group of similar students attending traditional public schools. The researchers analyzed student achievement growth data from online charter schools in 17 states and the District of Columbia. Without the opportunity to use an experimental design, the researchers applied a sophisticated algorithm to match statistically each virtual school student to similar students in two different control groups. Students were matched on the basis of race, gender, grade level, poverty, English language learner status, special education status, and prior test score on state assessments. The first control group included students attending a nearby or feeder traditional public school, and the second group involved students enrolled in a brick-and-mortar charter school.

One strength of the study was that it measured growth in academic achievement over multiple years rather than single-year scores. The findings were conclusive. Online charter students exhibited substantially smaller growth overall compared to traditional public school students. Comparisons between virtual and brick-and-mortar charter students also revealed major achievement differences in favor of the brick-and-mortar schools. Although no statistical matching process can ever completely remove what researchers refer to as selection bias, the strength and consistency of these results lends them credibility.

In the 2015 Mathematica examination of instructional delivery, researchers found that online charter schools provided less live contact time with teachers in a week than traditional schools provided in a day (Gill et al., 2015). Online charter schools also relied heavily on parents to assist with student instruction. One-third of online charter schools left the pacing of instruction up to the students *only*. The lead author of the report commented:

> Challenges in maintaining student engagement are inherent in online instruction, and they are exacerbated by high student-teacher ratios and minimal student-teacher contact time,

which the data reveal are typical of online charter schools nationwide. These findings suggest reason for concern about whether the sector is likely to be effective in promoting student achievement. (Quoted from CREDO, 2015)

Other studies of virtual schools show similar poor academic results. A 2017 study of nearly 1.7 million students in Ohio's online charter schools showed that students in online schools performed worse on standardized exams than their counterparts in brick-and-mortar charter and traditional public schools (Ahn and McEachin, 2017). Similar conclusions were drawn from a 2009 analysis of Ohio charter schools (Zimmer et al., 2009).

In some states, virtual charter schools have performed so poorly or mismanaged money so egregiously that they have been challenged legally or shut down. According to the watchdog group *In the Public Interest,* California's largest for-profit online public charter network (California Virtual Academies) had an overall graduation rate over a four-year period of 36 percent, less than half the state average of 78 percent. Moreover, California Virtual Academies parent company, K12 Inc., took, as profit, 49 percent of the $95 million in public education funds that the virtual school received in 2012–2013. Data from other states show similar trends.

Businesses that depend on long-term subscriptions—Netflix, health clubs, and so on—speak of the "churn." Churn is the movement in and out of the service. Virtual schools also have a churn, and it is quite large. Typical rates of enrolling in—and then dropping out of—traditional public school in the elementary grades is very low (under 10 percent) and usually involves families moving residences. Dropping out midyear at the brick-and-mortar high school level is more common, and often happens for academic reasons. Nevertheless, a churn rate for a typical brick-and-mortar high school seldom reaches 20 percent.

The situation with virtual schools is quite different. Even an elementary grade for a virtual school can experience more than 50 percent churn, with many of the students choosing to leave and return to a traditional school. In a 2019 study of the Milwaukee Public Schools, among 1,174 students who started the school year enrolled in a virtual school, 25 percent returned to the Milwaukee Public Schools before the end of the year. Even more dropped out of school altogether, left for a private school, or, conceivably, enrolled in a different virtual school. In an account conducted by the *Journal Sentinel* in 2018, 38 percent of students enrolled in one of Wisconsin's 42 virtual charter schools dropped out within the school year; half of the dropouts returned to brick-and-mortar schools (Thomas and Richards, 2018).

A 2016 investigation by *Education Week,* meanwhile, uncovered dozens of cases of mismanagement and misuse of funds (Education Week, 2016). *Education Week* published the list of more than 300 news articles across 24 states on which they based this report. The investigation also revealed millions of dollars were spent on lobbying by for-profit EMOs to influence legislation favorable to virtual charter schools (Prothero, 2016).

Credit Recovery: Another Face of Virtual Education

Individual online courses for students who have flunked face-to-face coursework have appeared on the virtual education scene. The Global Student Network, a subsidiary of the International Virtual Learning Academy based in Seattle, offer online courses to schools dealing with large numbers of students failing their courses. Operating under the banner Apex, online instruction is delivered to students over the course of a semester following the term in which they received an F in their brick-and-mortar school. They take a final exam; and if they pass, they have recovered

their lost credit hours. Monitoring attendance and exams are the responsibility of the contracting brick-and-mortar school. This option enjoyed growing popularity. But not all was in good order.

Denver North High School in Colorado took the students who flunked Algebra I and enrolled them in the Apex online course. Unfortunately, the course and the final exam became something of a sham, as described by a 2011 investigative report (Asmar, 2011). Students earned credit for the course even when they only logged on a few hours during the entire semester. For the final exam, all of the students were assembled in an auditorium to take the online exam proctored by a school administrator. Students had smart phones and iPads and knew the location of several websites that solve algebra problems. Denver North's graduation rate jumped from 65 percent to 75 percent in one year, but quickly drifted back to 65 percent following news of the improprieties.

Charges of Mismanagement and Malfeasance

One might wonder why the growth in full-time cyber schools continues in the face of inferior academic results, not to mention the siphoning off of public education funds to private companies that dominate this sector.

Market-based reformers argue that the pursuit of profits and high-quality products are mutually reinforcing. In other words, profit opportunities in education should incentivize EMOs to deliver high-quality schools in order to make their profits. However, this logic is challenged when EMO operators redirect money intended for instruction to boost their bottom line. The Center for American Progress cite K12 Inc.'s *Form 10-K,* which is a report required by the U.S. Securities and Exchange Commission to make public fiscal operations and management of domestic companies transparent. The form showed how K12 Inc. provides its senior executives

with large bonuses if they reduced instructional costs and increased profits (Benner and Campbell, 2018).

In addition, Ronald J. Packard, the CEO of K12 Inc., received compensation of more than $19.48 million from the company from 2009 to 2013 (SourceWatch, n.d.) He then left K12 Inc. to found his new venture: Accel Schools, a for-profit EMO operating 40 charter schools in Ohio. Accel Schools have operated on slim budgets and produced poorer educational outcomes than comparable traditional public schools in Ohio.

Finally, the COVID-19 pandemic led to substantial increases in full-time virtual school enrollments. In the spring of 2020, when the pandemic shut down schools in many areas of the country, many parents were desperate for alternatives to the distance learning that was abruptly forced upon brick and mortar schools. Some parents reasoned that since virtual schools had already been engaged in online instruction, they must know how to do it well. As an example, a July 23, 2020, *Associated Press* article reported that Oklahoma's Epic Charter Schools has seen a surge of 1,000 new students per day (Associated Press, 2020). Epic Charter Schools has been in existence since 2011 and seen a steady rise in enrollments, up to 21,000 students in 2018. School officials predicted that number would be closer to 46,000 by October 1, 2020. However, in October 2020, Epic was ordered to repay the state of Oklahoma $11 million for falsifying the number of students enrolled in its schools—a falsification that it used to claim millions of additional dollars from the state.

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