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## Texas AFT Testimony to the Senate Education Committee Regarding Virtual Schools

By

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After long study, members of the American Federation of Teachers have come to some conclusions about virtual education, expressed in a resolution adopted at our latest national convention in July regarding online learning and virtual schools. Our members, many of whom have experience teaching in a virtual setting, urge policy-makers to adhere to these principles

--The vast majority of digital learning should be part of a “blended” approach where technology enriches traditional, face-to-face instruction by enhancing learning opportunities beyond the traditional textbook.

--A virtual school network should be focused on providing courses not available at some schools, providing extra supports for struggling students, and offering opportunities for students to extend their learning.

--Budget considerations must not be the driver for enrolling students in online instruction.

--Educational quality, not financial gain, should guide where, when, and how distance education is employed.

**--Any savings realized from effective technology integration for administrative support or instructional uses should be reinvested in teaching and learning.**

The Texas Education Code chapter relating to the virtual school network lacks several key safeguards that our members have identified to ensure that students using a virtual school network receive a high-quality education. These include:

- (1) safeguards for ensuring data privacy;
- (2) an open and transparent process for purchasing technology;
- (3) requirements for professional development of teachers in the integration of technology;
- (4) accountability mechanisms for technology providers; and
- (5) processes for evaluating the effectiveness of digital programs and services.

Considering recent research that has examined low performance and financial practices of virtual schools, state law and district policy should be amended to ensure accountability and transparency for digital education providers so the public has access to information about revenue and expenditures, student demographics, student achievement and staff qualifications. There should be a procedure to ensure effective oversight and, if warranted, a process for closure of virtual schools where attrition rates are high and achievement is low.

Online courses should be developed and taught by state-certified teachers who know the standards and requirements students are expected to meet. The state should develop a process to

ensure that all virtual school teachers are certified and have received appropriate professional development for online instruction.

### **Accountability Challenges**

A recent study conducted by the Stanford Center for Research on Education Outcomes (CREDO) found that students in cybercharter schools scored significantly lower in both reading and mathematics than students in traditional schools and lower in mathematics than students in brick-and-mortar charter schools. The study also found that 100 percent of the eight cybercharter schools studied performed worse than their matched traditional schools. In every subgroup, cybercharter performance was significantly lower than the performance of students attending brick-and-mortar schools.

In light of such findings, we are very concerned about the educational costs of having students get all or most of their education online. We urge the committee to add language to the Education Code limiting in most cases the amount of coursework that a student should be allowed to complete through electronic courses. Dollars saved by moving students into online instruction do not outweigh potential educational costs. Again, educational quality, not financial gain, should guide where, when, and how distance education is employed.

In light of all these considerations, we contend that the delivery of more than half of a high-school curriculum via electronic courses generally can be justified only in cases where students are in genuinely exceptional situations--for example, unable to attend "live" classes for reasons of ill health or disability, or unable to enroll in a needed course at their local high school.

It is relevant to note that the "virtual academy" programs operated in Texas by K12, Inc., which is often held up as a model for online education, have chalked up inferior performance ratings; at times K12's virtual operation has risen to an academically unacceptable based on projected rather than actual student performance.

A July 2012 report from the National Education Policy Center (NEPC) at the University of Colorado reinforces concerns that students at K12 Inc., the nation's largest virtual school company, are falling further behind in reading and math scores than students in brick-and-mortar schools. According to the analysis, these virtual schools students were also less likely to remain at their schools for the full year, and the schools have low graduation rates. "Our in-depth look into K12 Inc. raises enormous red flags," said NEPC director Kevin Welner.

The report's lead author, Dr. Gary Miron, said: "Our findings are clear. Children who enroll in a K12 Inc. cyberschool, who receive full-time instruction in front of a computer instead of in a classroom with a live teacher and other students, are more likely to fall behind in reading and math. These children are also more likely to move between schools or leave school altogether -- and the cyberschool is less likely to meet federal education standards."

Miron and his co-author analyzed federal and state data for revenue, expenditures, and student performance. In terms of student demographics and school performance data, the researchers studied all of K12's 48 full-time virtual schools. In terms of revenues and expenditures, they used a federal data set that includes seven K12 Inc. schools from five different states (Arizona, Arkansas, Idaho, Ohio and Pennsylvania), although these seven schools accounted for almost 60

percent of all of K12 Inc.'s enrollment from 2008-09, which was the most recent year of available finance data.

Miron found that K12 Inc. schools generally operated on less public revenue, but by the same token they devote minimal or no resources to facilities, operations, and transportation. These schools also economize by having more students per teacher and paying less for teacher salaries and benefits than brick-and-mortar schools.

“Computer-assisted learning has tremendous potential,” said Miron. “But at present our research shows that virtual schools such as those operated by K12 Inc. are not working effectively. States should not grow full-time virtual schools until they have evidence of success. Most immediately, we need to better understand why the performance of these schools suffers and how it can be improved.”

Student performance results from the NEPC study are clearly in line with the existing body of evidence, which includes state evaluations and audits of virtual schools in five states as well as the rigorous study of student learning in Pennsylvania virtual charter schools conducted by the CREDO center at Stanford, cited above. The CREDO study's bottom line was that virtual-school students ended up with learning gains that were “significantly worse” than students in traditional charters and public schools.

Detailed findings of the NEPC study include:

- Math scores for K12 Inc.'s students are 14 to 36 percent lower than scores for other students in the states in which the company operates schools.
- Only 27.7 percent of K12 Inc.'s schools reported meeting Adequate Yearly Progress (AYP) standards in 2010-11, compared to 52 percent for brick-and-mortar schools in the nation as a whole.
- Student attrition is exceptionally high in K12 Inc. and other virtual schools. Many families appear to approach the virtual schools as a temporary service: Data in K12 Inc.'s own school performance report indicate that 31 percent of parents intend to keep their students enrolled for a year or less, and more than half intend to keep their students enrolled for two years or less.
- K12 Inc. enrolls students with disabilities at rates moderately below public school averages, although this enrollment has been increasing, but the company spends half as much per pupil as charter schools overall spend on special education instruction and a third of what districts spend on special education instruction.

“Part of K12's problem seems to be that it skimps on special education spending and employs few instructors, despite having lower overhead than brick-and-mortar schools,” said NEPC director Welner, a professor of education policy at the University of Colorado.

“Our research highlights a number of significant issues at K12 Inc. schools, and we recognize that these issues are also of concern at other full-time virtual schools,” Dr. Miron concluded. “We need a better understanding of how this new teaching and learning model can be most

effective, so that full-time virtual schools can better serve students and the public school system as a whole.”

Considering this history of dubious performance, the Texas Education Code should be amended to include a maximum percentage of coursework that a high-school student generally should be allowed to complete online. A recent AFT survey of 200 distance-education practitioners in higher education has an important bearing on the issue of the appropriate proportion of online coursework at the secondary level. When asked what percentage of an undergraduate course of study ought to be taught via distance education, more than 70 percent of these practitioners said half or less of an undergraduate curriculum should be completed by way of distance education.

These responses came from distance-education practitioners who work with college students, not minors in grades K through 12. These instructors know that, even at the higher-education level, a curriculum delivered entirely via distance learning tends to detract from educational quality. Face-to-face interaction with instructors and fellow students is a valuable part of education at any level. It is especially so for students in high school for whom social/emotional learning is a key ingredient in the recipe for college and career readiness.

The accountability loophole allowing a low-performing virtual operation to detach itself from one entity and reattach itself to another, thereby getting a clean slate under the accountability system instead of facing any consequences for low performance, should be closed.

### **Financial Accountability**

According to the Texas Education Code, virtual schools are entitled to the same level of operational funding as brick-and-mortar schools even though virtual schools obviously do not incur many of the costs associated with the traditional neighborhood school. There is currently no limit on the amount of funding virtual schools may receive. One national study estimated that revenues from the K-12 online learning industry will grow by 43 percent between 2010 and 2015, with revenues reaching \$24.4 billion. This is potentially a very profitable enterprise indeed.

K12 Inc. again illustrates the potential pitfalls. K12 and its educational and financial practices have drawn criticism nationwide. K12 is currently being investigated by authorities in Florida, Tennessee, Maine, and Georgia. In Florida, the private company had a financial incentive to skirt Florida’s law requiring the use of certified teachers. K12’s own e-mails show the company was using uncertified teachers in violation of Florida law, even after being warned by officials not to do so. Florida accused K12 of paying uncertified teachers less than certified teachers while collecting the same amount per student from state public school districts, increasing profits for shareholders. In recent years, K12 has significantly increased profits while student performance has suffered.

Current and former staff members of K12 Inc. schools say the focus is on profits, and problems begin with intense recruitment efforts that fail to filter out students who are not suited for the program, which requires strong parental commitment and self-motivated students. Online schools typically are characterized by high rates of withdrawal.

K12 also was at the center of a recent investigation in Maine. In one company email, a K12 manager asks certified teachers in Maine to file paperwork claiming they taught students they may never have had contact with. At the same time, K12 is also spending tens of thousands of dollars lobbying lawmakers to require all students in that state to take online courses at their public high schools in order to receive their diplomas. K12 also is sponsoring the creation of nominally independent boards for the proposed virtual schools, but reports indicate K12 would continue to operate the schools and exert control.

The *Tennessean* newspaper in Nashville recently reported that the K12-managed Tennessee Virtual Academy was under fire from state officials there for having ranked in “the bottom 4 percent of districts in the state on a measure that shows student progress from year to year.” In Tennessee as in its operations across the nation, K12 enrolls students with disabilities at rates below public school averages and spends much less per pupil on special-education instruction than either brick-and-mortar charter schools or traditional public schools.

The Georgia school superintendent has threatened to terminate the K12-run Georgia Cyber Academy’s charter with the state unless the online school reduces its teacher-student ratios, hires more staff to help students with disabilities and addresses some financial issues.

As the Senate Education Committee continues to study the role of virtual schools, we urge you to listen to education practitioners and add state guidelines to ensure that every student accessing the virtual school network will receive a high quality education.