

Michigan's Virtual Schools

Flexibility for Many, Success for Few

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Executive Summary

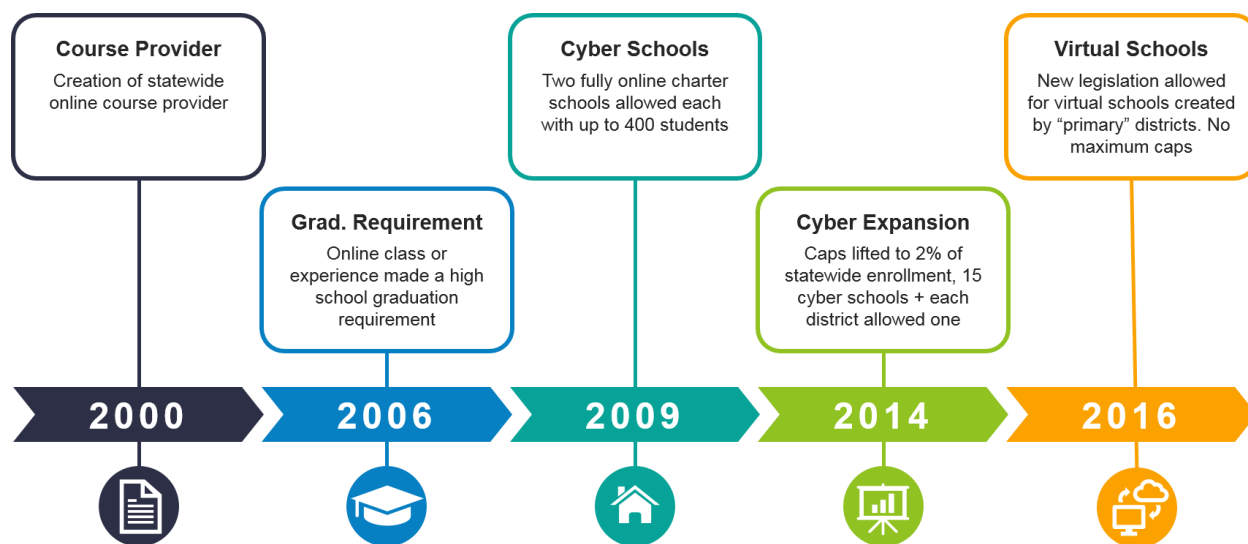
Michigan has pursued educational policies prioritizing free-market principles and educational choice since the mid-1990s. Policymakers thought that competition among schools would lead to better opportunities for students and greater efficiencies for taxpayers. Virtual schools are a product of those policies – meant to provide students and their parents another choice. Full time virtual schools have seen tremendous growth in less than 10 years, from under a thousand students to about 33,000 in 2019-20, or more than double the number of students attending Grand Rapids Public Schools¹.

These schools can provide students more flexibility in their educations, whether it is through any-time, any-place, any-pace instruction, or access to courses not available in their local schools. A virtual environment may also provide greater security to students with medical conditions or safety concerns. But they typically have poor performance, especially when compared to brick-and-mortar schools. In fact, holding other student and school factors constant, virtual schools underperform brick-and-mortar, or non-virtual schools by about nine percentage points on state math tests. While there are currently several types of ways students can participate in virtual instruction, this brief focuses on those schools that are completely virtual.



How Did These Schools Come About?

The existence of Michigan’s virtual schools is rooted in the push to create and subsequently expand public school academies, more commonly known as charter schools. Public charter schools were one of the outcomes of the debate and passage of 1994’s Proposal A, which changed the way public schools in Michigan were funded and allowed for the expansion of free market principles in the state’s public education system. The concepts of competition and consumer choice eventually led to the creation of Michigan’s virtual schools. The timeline below contains legislative highlights^{2,3,4,5,6} over the last two decades.



The legislative expansion of virtual schools fell along political lines. Democrats’ reasoning against expansion was that it was too soon in the “experiment” and that more time was needed to measure the performance of virtual schools. Republicans, meanwhile, cited large enrollment waitlists as proof that there was demand for more virtual opportunities⁷. The State Board of Education was supportive of the expansion, with three caveats: data were available to review from the existing two cyber schools, those interested in starting a cyber school demonstrated they had plans and capacity to implement the schools, and they were held to the same level of standards and expectations as traditional schools⁸. This support, along with some Republican legislators, was aligned with Governor Rick Snyder’s policy of opening student learning to “any time, any place, any pace”, a phrase that was familiar to many involved in the state’s public education work at the time⁹. Understanding the political history is helpful in formulating policy recommendations that have a chance of implementation.

Why Does This Matter?

Michigan's virtual schools can provide for opportunities that students may not have in their local schools or provide a more accessible schedule or environment for students challenged by more traditional learning environments. However, multiple studies have shown mixed academic results. Virtual school students attained a course pass rate of only 52% in 2019-20¹⁰. A 2015 study found mostly poor academic results in comparing online charter school students with similar students attending non-virtual schools. Online charter schools' flexible schedules cut both ways – in order to benefit, students needed to be disciplined to maintain high academic performance while taking advantage of the flexibility¹¹.

In 2018-19, virtual schools had a 4-year graduation rate of under 33%. Non-virtual schools had a 4-year graduation rate of almost 80%¹². Is this disparity an effect of the types of students enrolling in virtual schools, quality issues with the virtual schools themselves, or something else? Just taking into account schools' poverty levels shows the disparity between average 4-year graduation rates, and that poverty does not seem to have as much of an impact on 4-year graduation rates in virtual schools (Figure 1).

School districts can lose students to virtual schools. It diminishes the amount of state funding received, and it could concentrate students without the agency to enroll in a different school. The students left behind may magnify challenges in the school district, such as increased levels of poverty and lower academic performance.

Finally, taxpayers may feel public funds are not put to good use if virtual schools are not providing good educations to students. Taxpayers may also have issues with the level of funding provided to these schools, if costs are indeed lower than non-virtual schools.

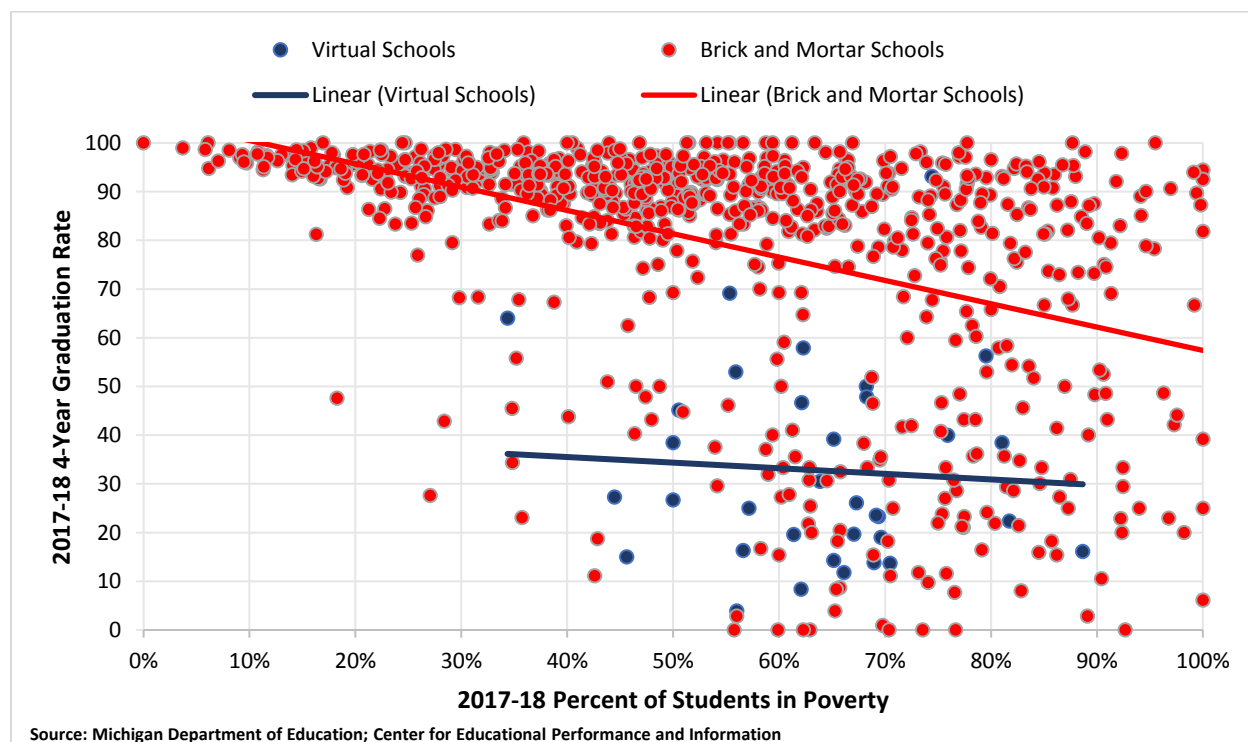


Figure 1: Scatterplot of Michigan's 4-Year Graduation Rates vs. Poverty Rates, 2017-18

Show Me the Data

School-level aggregates comprising of student and school characteristics highlight similarities and differences between virtual and non-virtual schools^{1,13,14,15}.

- Student race/ethnicity demographics are similar across school types
- Virtual school students enroll from all parts of the state and align with population centers
- Non-virtual schools enroll about 1.6x more students on average than a virtual school
- Virtual charter schools enroll over twice as many students on average than a non-virtual school
- Non-virtual schools enroll on average almost 4x more English learning students
- Students in virtual schools are 3x more likely to change schools during the school year
- Virtual schools spend on average over \$4,000 less per student
- Virtual school students are 5.5x more likely to be retained in grade and half as likely to enroll in a 2-/4-year college or university after graduating

Everything is Under Control

Comparing the academic effectiveness of traditional non-virtual schools to full-time virtual schools by controlling for different characteristics ensures a valid comparison. An almost 50% difference in the average four-year graduation rate between the two school types is quite striking, but without knowing who these students are, we do not know if the differences are functions of the student populations or something else.

Controlling for student and school factors including:

- Race/ethnicity
- Gender
- Poverty
- Disability
- English learner status
- Student mobility rates
- School spending per student

Virtual schools perform almost nine percentage points lower than non-virtual schools on state math tests. Student proficiency is one way to consider schools' effectiveness and it is widely used in public reporting and analysis of states' and the country's public education system. The independent variables were chosen based on availability and their historical use as potential input variables for gauging school effectiveness. While student race/ethnicity are ubiquitous in reporting, student mobility is not. Its inclusion here attempts to cover the importance of a stable educational environment for learning.

Recommendations

This analysis shows a clear performance gap between Michigan's virtual and non-virtual schools. Below are several recommendations starting with least challenging to implement, that could help address virtual schools' low performance.

Reporting and Data Collections

Creating and enhancing data collections and public reporting around virtual schools' performance can help bring greater attention to these schools to drive change and improve academic performance. The collection of course-taking data for all students can be used to analyze which schools and students are having challenges in passing courses and maintaining a timely path towards high school graduation. These data should be used in producing a new public report showing schools' rates for successful course completions, average credits attained for each high school student cohort, and a focus on comparing the school's graduation rate with course completion rates.

Appropriate Funding Levels

Michigan needs further study of funding levels for virtual schools to determine appropriate levels. Virtual schools average \$4,000 less per pupil than a non-virtual school and while a significant factor in estimating academic success in this study's models, it has a very small positive impact.

Attendance Rules

The Michigan Department of Education (MDE) could tighten rules regarding attendance definitions in virtual schools. This provides for integrity of virtual schools' programming and gives structure to a student population that may need more structure than a non-virtual school provides, not less. This requires changing rules in the Pupil Accounting Manual, something that virtual charter schools have been advocating for making it harder for MDE to do¹⁶.

Effective Teachers

MDE should consider creating a teacher certification endorsement for virtual instruction. This will help ensure effective and well-trained teachers are leading virtual classroom.

Enrollment Teams

Parental involvement should be brought back as an enrollment requirement. Virtual education requires more than a computer and an internet connection. Like a student attending a non-virtual school, virtual students require a supportive home learning environment coupled with an appropriate classroom experience staffed with an experienced and effective teacher. Legislation should require educational teams comprised of teachers, counselors, parents, and school administrators who would determine whether a virtual learning environment is appropriate for a student. This is the approach taken with Special Education, which utilizes an Individualized Education Program (IEP) team to best place a student according to the student's abilities.

Centralized Authorization

There has been a proliferation of poorly performing virtual schools. Current state laws should change to only permit the authorization of virtual schools, both charter and traditional district-operated, through MDE. This would entail an application process not unlike the current charter school authorization process. A centralized approach controlled through a single entity not beholden to increasing the amount of funding it receives will shift focus from shoring up or increasing revenues to creating a virtual education system that provides appropriate learning environments suited to the student types enrolled.

End Notes

- ¹ MI School Data is the state of Michigan’s public education data reporting portal. Much of the student characteristic data used in this study is available there, including student enrollment data.

Center for Educational Performance and Information. (2022). *K-12 Data Files – 2018-19 Student Counts* [Data Set]. Michigan Department of Technology, Management, and Budget. <https://mischooldata.org/k-12-data-files/>
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- ³ Public Act 124, Mich. § 380.1278a (2006). <http://legislature.mi.gov/doc.aspx?mcl-380-1278a>
- ⁴ Public Act 205, Mich. § 380.5 - 1701a (2009). <http://legislature.mi.gov/doc.aspx?2009-SB-0981>
- ⁵ Public Act 196, Mich. § 388.1606 - 1884 (2014). www.legislature.mi.gov/documents/2013-2014/publicact/pdf/2014-PA-0196.pdf
- ⁶ Public Act 249, Mich. § 388.1603 - 1890 (2016). <https://www.legislature.mi.gov/documents/2015-2016/publicact/pdf/2016-PA-0249.pdf>
- ⁷ *Cyber Schools, Dual Enrollment Pass Divided Senate*. (2011, October 27). Gongwer. Retrieved October 8, 2021, from https://www.gongwer.com/news/?article_ID=502120107
- ⁸ *House Panel Considering Cyber School Expansion*. (2011, December 7). Gongwer. Retrieved October 8, 2021, from https://www.gongwer.com/news/index.cfm?article_ID=502380110
- ⁹ *Cyber Schools Fill Numbers Cap, But Well Below Allowed Enrollment*. (2013, July 26). Gongwer. Retrieved October 8, 2021, from https://www.gongwer.com/news/?article_ID=521460102
- ¹⁰ Freidhoff, J. R. (2021, March 26). *Michigan’s K-12 Virtual Learning Effectiveness Report, 2019-20 | Michigan Virtual*. <https://michiganvirtual.org/research/publications/michigans-k-12-virtual-learning-effectiveness-report-2019-20/>
- ¹¹ Woodworth, J. L., Raymond, M. E., Chirbas, K., Gonzalez, M., Negassi, Y., & Donge, C. V. (2015). *Online Charter School Study*. 114.
https://credo.stanford.edu/sites/g/files/sbiybj6481/f/online_charter_study_final.pdf
- ¹² Michigan Department of Education. (2020). *2018-19 School Grades Results File* [Data set]. Michigan Department of Education. https://www.michigan.gov/mde/-/media/Project/Websites/mde/Year/2020/04/29/201819_School_Grades.xlsx
- ¹³ Center for Educational Performance and Information. (2022). *K-12 Grade – 2018-19 Student Mobility* [Data Set]. Michigan Department of Technology, Management, and Budget. <https://www.mischooldata.org/student-mobility/>
- ¹⁴ Center for Educational Performance and Information. (2022). *K-12 Grade – 2018-19 School-Level Expenditures* [Data Set]. Michigan Department of Technology, Management, and Budget. https://www.michigan.gov/cepi/-/media/Project/Websites/cepi/MISchoolData/2018-19/1819_Port74v_Downloadable_Data_File.csv

- ¹⁵ Center for Educational Performance and Information. (2022). *K-12 Grade – 2018-19 Postsecondary Outcomes by High School* [Data Set]. Michigan Department of Technology, Management, and Budget. <https://www.mischooldata.org/k-12-data-files/>
- ¹⁶ *House Education Mulls Weighing In On Pupil Accounting Changes*. (2022, February 1). Gongwer. Retrieved February 27, 2022, from https://www.gongwer.com/news/index.cfm?article_ID=610210114

