Introduction

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In the past decade, virtual education has moved quickly to the top of the K-12 public education reform agenda. Virtual education advocates include foundations, for-profit and non-profit service providers, business leaders, and school reform organizations. Proponents argue that virtual technology will revolutionize teaching and learning, dramatically reduce the cost and increase the availability of high-quality education.

Goal of the Annual NEPC Virtual Schools Reports

The National Education Policy Center plans to address the need for an objective analysis of the performance of full-time, publicly funded K-12 virtual schools (or cyber schools) by publishing a series of annual reports.

Other organizations have also produced reports on virtual education. The annual Keeping Pace reports published by the Evergreen Group are, for example, a useful resource for
anyone interested in a descriptive overview of the growth of K-12 virtual education and the current K-12 virtual education landscape. The reports, however, have two important limitations. First, the Evergreen Group is a consultant to the online education industry. It is not surprising, therefore, that its annual reports assume the value of virtual education and the desirability of its expansion. Second, the reports offer little in the way of independent research evidence on the impact of virtual technologies on teaching and learning; as a result, they offer little in the way of research-based guidance to policymakers.

Digital Learning Now!, published by the Foundation for Excellence in Education, is less useful. It is clear about its advocacy and its goal of persuading states to implement virtual education as quickly as possible. Indeed, the first of its 10 recommendations to policymakers is to “Use Digital Learning To Accelerate Education Reform.” It assigns a letter grade from “A” to “F” to each state based on how well the state has done at implementing the 10 “Elements” (encompassing 39 “Rubrics”) that the report asserts are important in promoting virtual education and reforming education overall. The discussion of “Element” number 6, “Digital Instruction Is High Quality,” for example, asserts without any apparent research evidence that “Breaking down the barriers to digital instruction can improve the quality of education, while at the same time reducing costs.” Although this report is clearly part of an advocacy campaign sponsored by the digital education industry and its supporters, and its “grading” system little more than the type of crude political rankings numerous advocacy organizations occasionally publish, Digital Learning Now! does contain some useful information such as state-by-state summaries of legislative activity that bears on digital learning policy.

In contrast to the Keeping Pace and Digital Learning Now! reports, NEPC reports will analyze the performance of full-time, publicly funded K-12 virtual schools; describe the policy issues raised by the available evidence; assesses the research evidence that bears on K-12 virtual teaching and learning; and offer research-based recommendations to help guide policymaking.

Virtual Schools in the U.S. 2013: Politics, Performance, Policy, and Research Evidence is the National Education Policy Center’s first annual report on virtual education. This Introduction provides an overview of the relevant political and policy landscape. Section I presents original research on the size, scope, and performance of full-time K-12 virtual schools, with details on the largest providers. Section II takes up significant but unaddressed policy issues associated with finance, governance, instructional and teacher quality. Section III focuses on claims made about virtual technologies and their impact on teaching and learning and assesses the extent to which they are, or are not, supported by existing research. It also explores quality issues relevant to research on virtual education. Each of the three sections closes with recommendations for policymakers.

Recent Virtual School-Related State Legislative Activity

State legislatures across the country have passed numerous bills facilitating the expansion of multiple forms of virtual learning. Those forms include programs launched within the
established public school system as well as alternative online programs enabled by state charter school laws. From 2001 to 2007, 22 bills enabling or expanding online charter schools became law. While some laws allowed traditional “brick-and-mortar” schools to develop online programs, others, such as those enacted in Florida and Georgia in 2006, allowed alternative providers to establish publicly-funded online programs independent of the traditional public school system.

Many bills enacted between 2001 and 2007 focused on enabling or encouraging public schools to make greater use of online technologies. Arkansas 2005 HB 2566, for example, established “The Arkansas Distance Learning Development Program.” The National Conference of State Legislatures (NCSL) summarizes that law as follows:

Establishes the Arkansas Distance Learning Development Program which seeks to alleviate the increasing shortage of available qualified teachers; provides additional course-scheduling opportunities for students currently forced to choose between courses that are scheduled infrequently or concurrently; provides an opportunity for students to access an enriched curriculum and additional courses beyond those mandated by the Standards for Accreditation of Arkansas Public Schools; and develops and makes available online professional development and instructional resources for all teachers and administrators.

From 2008 onward, the NCSL database reflects a significant upsurge in legislative activity that expands online schooling, regulates virtual education, or modifies existing regulations. From 2008 to 2012, 157 bills that NCSL categorized as related to “distance/online/virtual learning” became law in 39 states, territories, or the District of Columbia. A list of bills enacted and recorded in the NCSL database appears in Appendix A.

To date, the federal government has not inserted itself in any significant way into either the expansion or the regulation of virtual schooling. Instead, the policy activity of greatest consequence is occurring at the state level.

**American Legislative Exchange Council (ALEC) Influence on State Legislation**

In several states, ALEC has played a role in the enactment of laws expanding virtual schooling. The organization’s involvement with such legislation is particularly noteworthy because a number of corporations seeking to profit from online schooling have played important roles in setting ALEC’s policy agenda, according to research by the Center for Media and Democracy (CMD), a nonprofit group that monitors corporate influence on media and government. CMD reports, for example, that Mickey Revenaugh, the co-founder of Connections Academy and the company’s senior vice president of state relations, is the private sector chair of ALEC’s Education Task Force. Connections Academy is an online schooling provider that contracts with charter schools, school districts and governmental entities. (A Georgia state representative, David Casas, is the public sector chair of the task force.) The private sector chair of the task force’s Special Needs Subcommittee is Lisa Gillis, director of government affairs and school development for Insight Schools Inc., owned since 2011 by one of the largest for-profit providers, K12 Inc.
ALEC model legislation has been linked to laws expanding or implementing virtual schooling in Florida\textsuperscript{16} and Tennessee,\textsuperscript{17} among other states, and to legislation introduced though not yet enacted in a number of other states, including Arizona.\textsuperscript{18} ALEC’s model legislation invariably promotes privatization. For example, soon after passage of Tennessee’s law making private virtual school operators eligible to receive public funds, K12 Inc. received a contract allowing it to provide virtual education to any Tennessee student in grades K-12. It is worth noting that the state has also closed down a state-operated online education program.\textsuperscript{19}

**Evolving Political Issues Associated with Virtual Schools at the State Level**

The National Conference of State Legislatures (NCSL) database as well as the information compiled by the Evergreen Group\textsuperscript{20} and by the Foundation for Excellence in Education\textsuperscript{21} detail considerable state-level legislative activity associated with virtual education in 2012. A review of media reports suggests that Arizona, Iowa, Louisiana, Maine, Ohio, and Pennsylvania are states where virtual education policy and practice has drawn a fair amount of public attention. The sampling of media reports and commentary from these states detailed below serves to illustrate the competing claims, conflicting goals, financial uncertainty, questionable political and business relationships, and lack of systematic data that characterize the current political and policy environment of virtual education.

**Arizona**

At the end of 2011, *The Arizona Republic* reported that some 36,000 students, or about 3% of the state’s public school students, were enrolled in at least one online course. The newspaper’s six-day examination of the industry included interviews with critics who said that the online courses and schools might be less rigorous than traditional schools. The series documented claims of lax oversight for online schools and raised questions about the ease with which students enrolled online could cheat; however, the publication fell short of a definitive assessment of the questions it raised about the quality of online schooling.\textsuperscript{22} In May of 2012, Governor Jan Brewer vetoed legislation that would have expanded the state’s online school programs but would also have increased state oversight of the schools’ course offerings.\textsuperscript{23}

**Iowa**

Two national virtual school companies began operating in Iowa for the 2012-2013 school year amid disputes about whether state law allowed their operation. Iowa’s public schools may do only what state law expressly permits. As the *Des Moines Register* reported in 2012, Iowa law not only fails to grant explicit permission for schools to operate entirely online, it specifically forbids school districts to use “telecommunications. . . as the exclusive means to provide any course which is required by the minimum education standards for accreditation.”\textsuperscript{24} Top state officials disagreed about whether schools
established by Connections Academy and K12 Inc. in partnership with two small local school districts were legal. Governor Terry Branstad said he believed they were, but the state attorney general, Tom Miller, was more cautious. Miller suggested that online schools would be permitted under state law if they met certain requirements, but until the two schools were operating, their compliance could not be determined. As of the 2012-2013 school year, the two schools were operating, enrolling 302 students between them.\textsuperscript{25} Iowa’s governor also was seeking legislation in 2013 to expand the state’s online education offerings, at a cost of $4.5 million.\textsuperscript{26}

\textbf{Louisiana}

In March 2012, the Louisiana Board of Elementary and Secondary Education (BESE) expanded an enrollment cap for Louisiana Connections Academy from 750 to 1,000 students for the 2012-2013 school year. State school officials cited the school’s report of 4,221 applicants for 2011-2012 as a reason to raise the cap. According to state Superintendent of Education John White, “Students would have to go to a low-performing school if we did not expand it.”\textsuperscript{27} The board ignored pleas from one of its own members, as well as from the Louisiana Association of Educators, to delay lifting the cap until the performance of students already enrolled in the school could be evaluated.

Superintendent White, however, embraces not only the expansion of online schools, but a broader conception that has been described as “à la carte” education that would seem to do away with the school as a coherent institution, replacing it with purveyors of individual classes and programs of study, often online. Reuters describes the design as follows:

\begin{quote}
The model, now in practice or under consideration in states including Louisiana, Michigan, Arizona and Utah, allows students to build a custom curriculum by selecting from hundreds of classes offered by public institutions and private vendors.

A teenager in Louisiana, for instance, might study algebra online with a private tutor, business in a local entrepreneur’s living room, literature at a community college and test prep with the national firm Princeton Review—with taxpayers picking up the tab for it all.\textsuperscript{28}
\end{quote}

White came to the Louisiana department from New York City, where as a deputy chancellor at the Department of Education, he championed expansion of technology in education. New York’s education department budgeted an increase in technology spending for 2012, including $542 million for rewiring city schools to accommodate more online learning and computerized standardized testing. At the same time, the department planned to cut $1.3 billion in school construction and lay off 4,600 teachers and reduce the teaching staff by a total of 6,100. “If we want our kids to be prepared for life after high school in the 21st century, we need to consider technology a basic element of public education,” White told \textit{The New York Times}.\textsuperscript{29}
There are outsized claims, intense conflicts, lots of taxpayer money at stake, and very little solid evidence to justify the rapid expansion of virtual education.

Maine

Maine has shown sharply increased interest in virtual schooling in recent years. Although published reports indicate the state has not yet authorized any virtual schools, Governor Paul LePage, elected in 2010, issued an executive order on Feb. 1, 2012, to expand online schooling. The governor’s action prompted the Maine Sunday Telegram newspaper to delve into the track record of such online schools as well as to plumb the relationships that helped influence the Republican governor’s policy initiative. Reviewing more than 1,000 pages of email messages uncovered in a public records request, the newspaper found that

. . . large portions of Maine’s digital education agenda are being guided behind the scenes by out-of-state companies that stand to capitalize on the changes, especially the nation’s two largest online education providers.

K12 Inc. of Herndon, Va., and Connections Education, the Baltimore-based subsidiary of education publishing giant Pearson, are both seeking to expand online offerings and to open full-time virtual charter schools in Maine, with taxpayers paying the tuition for the students who use the services.30

The newspaper’s investigation found that both companies were major funders of the Foundation for Excellence in Education, founded by former Florida Governor Jeb Bush. That foundation, the newspaper reported, played a significant role in persuading Maine’s education commissioner, Stephen Bowen, of the merits of virtual public schools. Bowen, the newspaper found, met with Patricia Levesque, whom the Sunday Telegram described as “Bush’s top education aide” and the person in charge of running the foundation. The article noted that Levesque “is paid through her private firm, which lobbies Florida officials on behalf of online education companies,” and further, that the foundation’s staff in Florida could recommend policies, model legislation and language for executive orders to be signed by the governor; it could also help with strategy to push through the legislation.31

Indeed, the foundation did supply the language that LePage used in his 2012 executive order, the newspaper concluded. Further, the American Legislative Exchange Council “developed digital learning legislation that was introduced by Maine lawmakers”; education commissioner Bowen was a former ALEC member prior to his appointment as the state’s top education official.32

In an earlier article, Bush’s aide Patricia Levesque was identified in The Nation as having what the article called a “clear conflict of interest” in her dual roles as a lobbyist for for-profit education companies and as someone encouraging philanthropic organizations to
put their weight behind a variety of state bills to further open the door to education technology companies:

Lobbyists like Levesque have made 2011 the year of virtual education reform, at last achieving sweeping legislative success by combining the financial firepower of their corporate clients with the seeming legitimacy of privatization-minded school-reform think tanks and foundations. Thanks to this synergistic pairing, policies designed to boost the bottom lines of education-technology companies are cast as mere attempts to improve education through technological enhancements, prompting little public debate or opposition. In addition to Florida, twelve states have expanded virtual school programs or online course requirements this year. This legislative juggernaut has coincided with a gold rush of investors clamoring to get a piece of the K-12 education market. It’s big business, and getting bigger: One study estimated that revenues from the K-12 online learning industry will grow by 43% between 2010 and 2015, with revenues reaching $24.4 billion . . .

A change in control of the Maine legislature in 2012 has forced a pause in the governor’s move to introduce online schools in the state. Democrats now have majorities in both the state Senate and the state House of Representatives. They have introduced legislation to block the establishment of full-time online schools. One bill would put a moratorium on full-time online schools, as well as on for-profit online schools, until completion of a study to draw up “best practices” by the state’s charter school commission. And one Maine legislator has proposed a bill banning for-profit online schools outright, requiring them to be run instead by the state or by existing school districts.

Ohio

In mid-2012, the Cleveland Plain Dealer reported that online school enrollment in Ohio had topped 30,000 students—making the state, at least by some calculations, second only to Arizona in the number of its students enrolled in online schools. In a follow-up item, the Plain Dealer also reported that online schools in the state were paid $209 million in public money for the 2010-2011 school year, but that they “don’t have to give a detailed accounting of their expenses to the state. The schools don’t talk much about their books either.” The newspaper noted that a 2011 report from Innovation Ohio, a progressive think tank, criticized the state funding of online schools as well as the lack of transparency in that funding. In a separate development, Ohio illustrates what has been a recurrent rift between the virtual schooling industry and at least a segment of the traditional homeschooling population, when the Home School Legal Defense Association (HSLDA) in 2012 issued a notice to members stressing the difference between online public schools and homeschooling:

Homeschooling enables parents to have much more influence on their children’s education. Publicly funded virtual charter schools are really just “schools at home” and parents are simply “monitors or learning coaches.” In these schools
the government is in the driver’s seat—parents are just along for the ride. HSLDA encourages parents to count the cost before enrolling in “free” publicly funded virtual charter schools.39

Pennsylvania

In Pennsylvania, the 2012-2013 school year began with a total of 16 “cyber charter schools” operating in the state, up from 13 the previous year. The expansion of charter schools led a number of the state’s traditional public schools to step up various tactics aimed at stemming the flight of students to the online alternatives.40 By December 2012, eight proposals were pending before the state Department of Education to establish additional cyber charter schools in the state.41 At public hearings in the state capital of Harrisburg, state education secretary Carolyn Dumaresq praised the growth of online schools: “The beauty of the cyber charter is that any child, anywhere in Pennsylvania can participate. I think they serve a unique role in providing additional opportunities for students.”42

In contrast, the Education Law Center, a Philadelphia- and Pittsburgh-based nonprofit that promotes access to educational opportunities for the poor, minorities, and the disabled,43 advocated for a statewide moratorium on new online charter schools.44 “We have to make sure that children are protected and that taxpayers are protected,” said the center’s executive director, Rhonda Brownstein.45 Meanwhile, published reports found that of 12 online charter schools already operating in Pennsylvania, only one made Adequate Yearly Progress (AYP) in 2012 under terms set by the No Child Left Behind Act. For 2011, only two made AYP.46

Research conducted by the Center for Research on Education Outcomes (CREDO) at Stanford University examined the performance of Pennsylvania charter schools and found that 100% of cyber charters performed “significantly worse than their traditional public school counterparts in both reading and math.”47 Meanwhile, as state Auditor General Jack Wagner prepared to leave office, he told a public radio station that the state has spent too much money on a total of 16 cyber charter schools.

There is excess public money being spent to educate a child that sits at home and goes to school on a computer compared to a child that goes to school at a school district,” Wagner told an interviewer from WESA-FM radio in Pittsburgh. Wagner, according to published reports, has argued that because they bear significantly lower costs for buildings and other physical infrastructure, cyber charters get more money than they need: “There is over $300 million in public taxpayer dollars being lost each and every year due to the flawed funding formula for charter and cyber charter schools.48

The Philadelphia Daily News reported on the case of Frontier Virtual Charter High School, which the newspaper said was forced by the state to surrender its charter because

http://nepc.colorado.edu/publication/virtual-schools-annual-2013
Frontier didn't supply students with promised laptops, printers and Internet reimbursements, the state said. The school's administrators didn't properly monitor attendance, truancy and grades, according to investigators. A "significant" amount of money was spent on nonschool expenses, the state said, including trips to restaurants and cash purchases that weren't backed with the receipts. The school failed to provide many of the classes it had offered students.49

For-Profit Virtual Schools Issues

Virtual education has always been seen by some as a business opportunity that could prove extraordinarily profitable for entrepreneurs, while lowering education costs. In 1993, Lewis J. Perelman, writing in the magazine Wired, explicitly framed the idea of converting education from the province of traditional public schools into a new, for-profit industry that would deliver its services largely online. “Dear Information Industry Executive,” Perelman opened his article. “Could your business benefit from a few hundred billion dollars in new sales? Good. Let's talk.”50

In the article, Perelman, a consultant based in Washington, D.C., whose online biography describes him as a “a strategic analyst, consultant, author, publisher, teacher, and thought leader,”51 summarized the then-conventional wisdom that in the world economy, “knowledge-based businesses” were taking the place of “production-based businesses as the core of economic activity,” and that a new “mega-industry” of enterprises was developing in computing, multi-media, and digital technology. He confidently asserted that

... schools are one of the principal barriers to the growth of not only this new industry, but the whole world economy. Replacing the bureaucratic empire of educational institutions with a high-tech commercial industry will pull the cork out of the knowledge-age bottleneck—opening up an annual market worth $450 billion in the US alone. ... [T]he real threat posed to our economy by education, schools and colleges is not inadequacy, but excess: too much schooling at too high a cost.52

Seventeen years later, writing in Forbes, Clayton M. Christensen and Michael B. Horn echoed a similar theme, bringing it up to date and framing the shift to online schooling as both beneficial and inevitable in light of tightening school budgets:

Many schools have framed the looming cuts as a threat to how they operate—even though the teaching force has grown by 10% since 2000, while student enrollment increased by only 5%. But others are seeing the hardship of the moment as an opportunity to transform what they do with the implementation of online learning. Pressured by not only widespread cuts but also increasing demands for accountability, these innovative leaders recognize that online learning is a key reform for doing more with less.
For example, the people who run many schools realize that they can save considerably by cutting back on traditional classroom versions of non-core courses—advanced placement, foreign language, economics and so forth—and instead offer them online, thereby aggregating demand across many school districts. Likewise they can cut back on the number of periods during which they offer certain classroom courses and still affordably meet student demand by offering those courses online.

More than 70% of school districts already offer some form of online learning, and that number is growing among traditional brick-and-mortar middle and high schools. With big budget cuts looming, online learning is likely only to grow, as students increasingly look to it to for courses they want to take and credits they need for graduation. Many of the leading online learning providers have experienced sharp growth over the past few years, and that’s unlikely to slow.

The adoption of online learning is much more than just a cost-saving move for school districts. It has the potential to transform schooling more broadly by allowing students access to a wide range of high-quality offerings and teachers, regardless of where they live. Some students whose classroom courses have been replaced with online versions will be thrilled to find out that they now have access to not just one provider’s online courses but a whole marketplace of high-quality options, in a naturally technology-rich environment quite compatible for them.53

Given the focus on the profits to be had in virtual education, it is hardly surprising that firms were looking for ways to supplant teachers with technology were investing heavily in advertising their products and services, and that state policymaking and regulation had not kept pace with the changes underway.

In August 2012, John Katzman, the founder of the Princeton Review test-preparation company, was pointing investors toward companies developing software to replace teachers: “How do we use technology so that we require fewer highly qualified teachers?”54 Reuters noted that venture capital firms had already put $9 million into Schoolology, which the Reuters correspondent described as “an online learning platform that promises to take over the dreary jobs of writing and grading quizzes, giving students feedback about their progress and generating report cards.”55

A USA Today review of online school data concluded that, nationally, the corporate owners of online schools were spending “millions in taxpayer dollars on advertising... to attract students, even as brick-and-mortar public schools in the districts they serve face budget crunches.”56 The article noted that the money spent on TV, radio, newspaper and Internet advertisements came from taxpayer receipts that had been funneled to the online operations as a consequence of contracts with state or local public school agencies.57

Basing its conclusions on data compiled by Kantar Media, the newspaper estimated that, since 2007, the 10 largest for-profit, online school firms had spent $94.4 million on
advertising, and that K12 Inc. “has spent about $21.5 million in just the first eight months of 2012.” (A K12 spokesman who responded to USA Today’s inquiries would neither confirm nor deny the figure, saying: “We try our best to ensure that all families know that these options exist . . . It’s really about the parents’ choice—they’re the ones that make the decision about what school or program is the best fit for their child.”) The newspaper also found that, in addition to media aimed at adults, K12 appeared to be “working to appeal to kids,” with media buys on Nickelodeon, The Cartoon Network, and MeetMe.com, a teen-oriented social networking site.58

National Public Radio’s Ohio State Impact project localized the USA Today story to Ohio, where NPR/Ohio State Impact and the Cleveland Plain Dealer newspaper had earlier jointly reported on the online school industry. In that earlier report, the NPR and Plain Dealer team had calculated that, while the state paid online charter schools $6,300 per student, it was possible to run an online school for about $3,600 per student, raising the question of “what happens to the rest of the money?”59

K12 Inc. found itself as well at the center of several other controversies. In Colorado, K12 Inc.’s Colorado Virtual Academy, with 5,000 students, was denied in its application to transfer to the Colorado Charter School Institute (Colorado CSI).60 CSI is an independent state agency that authorizes charter schools in the state; under Colorado law, charter schools must be authorized either by local school districts or by CSI.61 In explaining its decision to reject the application, the institute cited concerns about: student performance below the 10th percentile statewide; student turnover of 25% for elementary and middle-school students and 50% for high school students; failure to follow through on a rubric for holding K12 Inc. accountable; and, curricular adjustments needed to serve a student body that was increasingly made up of at-risk students.62

In November 2012, Georgia’s Department of Education told the Georgia Cyber Academy it would move in April 2013 to close the online charter school unless the academy undertook a series of changes in its dealing with special education students.63 The department cited concerns including the school’s failure to obtain Individualized Education Plans for special education students, its failure to offer federally required individualized instruction to special education students, and its failure to resolve complaints from parents.64 The Atlanta Journal-Constitution noted that the Cyber Academy’s 12,000-student enrollment made it “the largest public school in the state,”65 as well as by far the largest of Georgia’s three online schools.66 The news reports, however, omitted the fact that the Cyber Academy is part of the K12 Inc. network.67 Despite the harsh criticism in the state education department report, however, just two weeks after it was issued, the department altered its stance considerably and gave the school an extension to produce its special education plan and provide related documentation.68

And, shareholders have filed a class-action lawsuit against K12 Inc., claiming that the company had manipulated its stock price by concealing information about high student attrition and poor academic performance. Anonymous “confidential witnesses” who were described as former employees claimed that “K12-managed schools aggressively recruited children who were ill-suited for the company’s model of online education . . . then manipulated enrollment, attendance and performance data to maximize tax-subsidized

http://nepc.colorado.edu/publication/virtual-schools-annual-2013

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per-pupil funding,” according to a joint report about the lawsuit by WHYY FM, a Philadelphia public radio station, and the Philadelphia Public School Notebook.69

In Wisconsin, a Green Bay Press Gazette investigation found that the state had not followed through on a recommendation from the nonpartisan state Legislative Audit Bureau two years before calling for a state analysis of the performance of virtual schools compared with brick-and-mortar schools. A spokesman for the state Department of Public Instruction, which had been urged to conduct the analysis, told the Gannett newspapers that the agency had not done so because the state legislature had failed to provide either a statutory authority or the necessary funding to carry out the task.70

The Press Gazette also found that Wisconsin online schools had turned away from for-profit providers in favor of building their own programs. “Four of the state’s largest virtual schools were run by for-profit companies last year, but this year that number is down to two,”71 the newspaper reported in August. The two remaining were identified as K12 Inc., working with the Wisconsin Virtual Academy in McFarland (near Madison), and Connections Academy, working with Wisconsin Community Connections Academy in Appleton.72

The newspaper described the parting between two other schools and K12 Inc. after the 2011-2012 school year as “acrimonious splits.”73 The principal of one ex-K12 Inc. online school told the newspaper that, to the company, “the interest of their shareholders is the most critical deciding factor when decisions are being made.”74

Public disaffection with online school surfaced as well in Idaho, where voters in the November 2012 election rejected overwhelmingly three ballot measures proposed as education reform initiatives by Idaho Superintendent of Public Instruction Tom Luna and Governor Butch Otter. In addition to turning away restrictions on teachers unions and a plan to tie teacher bonuses to test scores, residents voted 2-1 against a measure to require every Idaho high school student to use a laptop (funded by taxpayers) and take some courses online. Although the measure didn’t directly relate to for-profit online schools, there seems little doubt that, had it passed, it would have created a market opportunity for such ventures. In addition, Luna and Otter disclosed in the weeks before the election a $180 million, eight-year contract with computer manufacturer Hewlett-Packard.75

The Need for Independent Research to Inform Policymaking

Even a cursory review of media reports and a passing acquaintance with the research on virtual education reveals that policy is being made in an environment much like the legendary “wild west.” There are outsized claims, intense conflicts, lots of taxpayer money at stake, and very little solid evidence to justify the rapid expansion of virtual education, as will be documented in the coming sections of this report.
Notes and References: Introduction


2 Evergreen Education Group (2013). Our clients have one thing in common – they are working to improve educational opportunities and outcomes for students (website). Retrieved March 7, 2013, from http://evergreenedgroup.com/learn/clients/

3 Evergreen Education Group (2013). Our clients have one thing in common – they are working to improve educational opportunities and outcomes for students (website). Retrieved March 7, 2013, from http://evergreenedgroup.com/learn/clients/


5 *Digital Learning Now!*, p. 61

6 *Digital Learning Now!*, p. 26


Searches conducted August 23, 2012, and re-conducted December 21, 2012, on “all states”; topics: “charter schools,” “STEM” (science, technology, engineering and math), “alternative education,” and “school choice,” followed by additional screening to exclude legislation unrelated to the subject of online schooling.


While the database includes links to individual state websites where at one point the texts of laws might be found, because of its age many of the links no longer function.


Summary text:

Establishes the K-8 Virtual School Program to deliver academic instruction using online and distance learning technology to full-time students in kindergarten through eighth grade. Provides program requirements for student and school eligibility, conditions for participating in the program, funding, and student assessment. Provides for school accountability and grounds for nonrenewal and termination of contracts with participating schools. Finally, the bill provides for the continued participation of current schools.

Summary text:

Amends the "Quality Basic Education Act," so as to change certain provisions relating to determination of enrollment by institutional programs. Authorizes the establishment of the Georgia Virtual School. Provides for rules and regulations. Provides for a Georgia Virtual School grant account. Provides for statutory construction.


Summary text:

Relates to waiver of provisions of Title 20 for charter schools, requirements for operating charter schools, and the control and management of charter schools, so as to provide that nothing shall preclude the use of computer and Internet based instruction for students in a virtual or remote setting.


It is likely that the total number is somewhat overstated. The total number of bills listed can include Senate and House versions of the same legislation; it can also include several different bills that were subsequently combined. For instance, if three separate bills are filed in a state and subsequently merged into a single piece of legislation, all three might be recorded as “enacted” even though they all became absorbed into one new law, rather than three. Nonetheless, the volume of legislation involving online schools was sufficient to lead the NCSL to add “distance/online/virtual learning” to its menu of legislation topics for 2008 onward. See the preceding note.


See also:


The entire Arizona Republic series on online schools can be found at http://www.azcentral.com/news/education/online-school/.


Offering a rebuttal to the Fang article in *The Nation*, Bill Tucker, then at Education Sector, claimed Fang had conflated online schooling in general with the for-profit sector and ignored the fact that Florida Virtual School (one of those Fang wrote about in his article) is “a state-owned and state-run institution…” and, “in short, a poster child for public sector innovation.”


Tucker subsequently left Education Sector for the Bill and Melinda Gates Foundation: See:


See also:


See also:


Cited in


See also


(The Philadelphia Public School Notebook, to which the news report was partially credited, describes itself as an independent, nonprofit news service serving thousands of supporters of the Philadelphia public schools. The Notebook serves as an information source and voice for parents, students, teachers, and other members of the community who are working for quality and equality in Philadelphia's public schools. Retrieved March 21, 2013, from http://thenotebook.org/content/about-us/.)


Appendix A

Summaries of Enacted State Legislation Pertaining to Virtual Schools

Appendix A is available for download as PDF files at


This is a section of Virtual Schools in the U.S. 2013: Politics, Performance, Policy, and Research Evidence, a research brief published by the National Education Policy Center, housed at the University of Colorado Boulder, and made possible in part by funding from the Great Lakes Center for Education Research and Practice. The entire brief, as a single document and in individual sections, is available at http://nepc.colorado.edu/publication/virtual-schools-annual-2013/.

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