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Policy Brief Draft

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Cyber Schools in Michigan: Stretching The Dollar Too Far For Distance Education

Finding the most cost effective and academically effective way to educate students in Michigan is of utmost importance, which may be why education policy is often discussed in the House and Senate. The dollar is already being stretched to provide Michigan students with an enriching public education. However, cyber schools could make this even harder as taxpayer dollars allotted for public schools are diverted to cyber schools. To make this problem worse, evidence has not shown that cyber schooling is an academically effective method of education at the K-12 level. The state government is supporting these cyber schools when they may provide a subpar education to the students of Michigan.

Senate Bill 0619 was passed into law in Michigan recently, which provides for a phased in expansion of cyber schools. The act amended the Revised School Code by repealing the previous limit of only two cyber charter schools and only 1,000 cyber school students in Michigan. The number of cyber charter schools will now expand from two to five until December 2013, and to 10 until December 31, 2014. After this date, the number of cyber charter schools may not exceed 15. The state government is responsible for financing the majority of public education. The governor should consider that budgets are already tight for Michigan public schools, and the fiscal impact that the expanding number of cyber charter schools will have on the public school system is difficult to predict. Studies are beginning to show that these cyber schools are less academically effective when compared to traditional public schools as well. While cyber schools may provide another option for students and their parents, the state should repeal the law due to the fiscal and academic concerns that I mentioned. Other analytical tools that I will use will be state fiscal constraints and the negative externalities such as the decreased quality of public schools with more cyber schools.

Relevant components of the policy problem to be considered are the fiscal impact and how a cyber education compares to a traditional education. Taxpayer dollars will be allotted to the private corporations who administer these cyber schools while public schools continue to struggle with limited funding. Research on cyber schools in comparison to traditional schools provides limited findings, since most studies are based only on the study of adults. By looking at other states like Pennsylvania, Michigan might be able to better assess the effectiveness of cyber schools. The following evidence will support my argument that Senate Bill 0619 should be repealed due to the negative fiscal and academic impacts. The merits of cyber schooling will also be shown, but they do not outweigh the challenges, which will make up the counterargument.

Senate Bill 0619 expands the number of cyber schools in Michigan, which gives students options, but it could be a subpar option with **a negative fiscal impact**. The number of cyber schools expands until it is capped at 2 percent of enrollment. This may seem like a small number, but when you put it into perspective by using enrollment statistics from the Common Core of Data, one can see how cyber schools could produce the negative externality of taking per student dollars from public schools. Considering that there are about 1,587,067 public school students and public schools receive near $7,000 for each student, the governor must see that this would result in a loss of over 200 million dollars for the public school system as these dollars are diverted to cyber schools (CCD). I HAD A HARD TIME FINDING WHAT 200 MILLION DOLLARS CAN BUY PUBLIC SCHOOLS. I’M ASSUMING A LOT, LIKE SPENDING ON TEXTBOOKS, INSTRUCTIONAL MATERICAL, SUPPLIES, SALARIES AND BENEFITS FOR EMPLOYEES, BUT I DON’T KNOW WHERE TO GO TO GET THE SPECIFICS. I NEED TO DO MORE RESEARCH HERE. I WOULD ASSUME THAT WITH INADEQUATE FUNDING TEACHERS WOULD LOSE THEIR JOBS AND CLASS SIZES WOULD INCREASE. DO I NEED TO LOOK INTO TITLE I FUNDING?

I WANT TO MAKE/FIND A PIE CHART TO GO HERE AS WELL THAT SHOWS WHERE TAXPAYER FUNDS ARE GOING/ ENFORCE WHY THEY ARE NEEDED.

The Senate Fiscal Agency also presents a summary of the bill that addresses the uncertainty regarding the fiscal impact. I WANT TO INCORPORATE THIS INTO THE FINAL BRIEF IN MORE DETAIL (Senate Fiscal Agency).

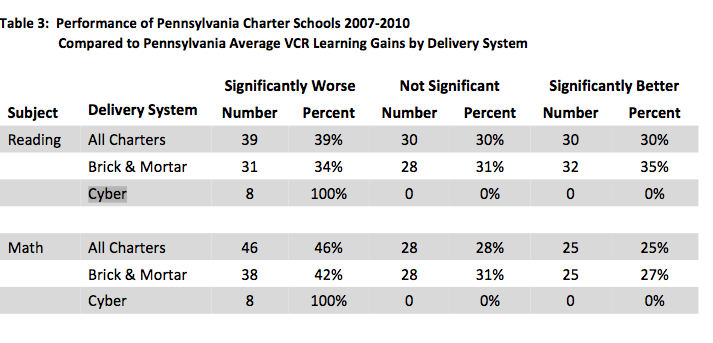
The governor needs to support **policy that puts taxpayers dollars in the hands of those who can provide the best education** to Michigan students. As the Michigan Education Association President Steven Cook said, “Our state leaders should tread very lightly when deciding whether to divert scarce educational resources into virtual schools. And they should tread very lightly before turning our kids into guinea pigs for corporate education experiments” (MEA). There are tight state fiscal constraints on public schools, and cyber schools could make providing a good education even harder. While I recognize that cyber schools provide another option for students, it’s important to realize that positive results from cyber schools are not guaranteed and are costly to public schools- a negative externality of taking away their funding.

Not only are funds being taken from public schools, but **taxpayer dollars are being allotted to the out of state, for-profit corporations** that administer the cyber schools. “Michigan taxpayers do not want their tax dollars used to enhance profits for a few corporations based out-of-state, at the expense of their neighborhood school” (Cleary 9). Taxpayer dollars are public funds, and public funds should be going toward traditional public schools. A *New York Times* article examines the profit-making part of cyber schools as well. The article looks at one Pennsylvania public school is failing, but “by Wall Street standards, though, Agora is a remarkable success that has helped enrich [K12 Inc](http://www.k12.com/)., the publicly traded company that manages the school. And the entire enterprise is paid for by taxpayers” (Saul). These cyber schools are first and foremost businesses, and Michigan taxpayers do not want their money to be going to businesses that are more focused on profits than education. The cyber school mentioned above, Agora, is reported to take in a profit of about 72 million dollars in one school year. The New York times spent several months examining cyber schools, especially one corporation, K-12 Inc., and “a portrait emerges of a company that tries to squeeze profits from public school dollars by raising enrollment, increasing teacher workload and lowering standards” (Saul). As state education budgets are being slashed, these for-profit schools will not benefit the students or the taxpayers of Michigan.

**Diverting funds from public schools to cyber schools does not make for a great education system.** Kathleen Ellis, a doctoral student at Alvernia College, provides a detailed description of the merits and challenges of virtual schools in "The Realities of Virtual Schools: Cyber Charter Schools: Evolution, Issues, and Opportunities in Funding and Localized Oversight." Her close study of Pennsylvania’s cyber schools leads her to conclude that “school systems need to maximize the utility of the funds available; diverting public school money from servicing the majority of the public school population is not in a system’s or its students’ best interest” (Ellis 149). Michigan should consider the negative externality that cyber schools would have on the public school system. Pennsylvania’s experience with cyber schools has shown that diverting taxpayer dollars from public schools is not the benefit the majority of the students. Based on her study, the best educational policy would incorporate the benefits of cyber school- Internet research, email access, and online communication- into the traditional public school system. It is not necessary to rely on cyber schools to provide these options to our students.

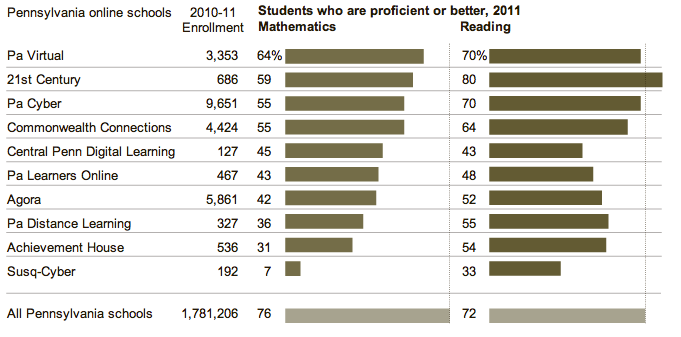
The governor should see that the bill should be repealed due to **state fiscal constraints and the negative externalities** that cyber schools will cause in relation to traditional public schools. If it were to be repealed, I would recommend proposing policy that allowed students to take some of their classes online through the public schools. This would allow students to have their options, but it would not hurt the public schools fiscally. Another option would be to allocate less state dollars to cyber school students than to traditional school students. An amendment was proposed in the Senate by Senator Hoon-Yung Hopgood last year to only pay Internet-based public cyber schools half the amount of state school aid for each student who attends (McHugh). The amendment failed at the time, but if repeal is not possible, I think that this amendment could at least put some ease on the state fiscal constraints that are already making it hard for public schools to provide for their students.

While I have acknowledged the fiscal dilemma, there is also the **poor performance of students in cyber schools** to consider when making a policy recommendation. My research strategy for building a case is to present data from **other states** that have had virtual school systems for a longer period of time. Pennsylvania provides an excellent case study to show how the challenges of cyber schooling can often outweigh the benefits. A study on online schooling in Pennsylvania conducted by the Center for Research on Educational Outcomes from 2004-2008 showed how online students had fallen behind the traditional students in terms of test scores. “Cyber charter students have significantly smaller gains in reading and math than those of their traditional public school peers” (CREDO). In both mathematics and reading, the students in all 8 cyber schools had significantly worse test scores than their traditional counterparts, which can be seen below.

 (CREDO)

While traditional schools were found to produce the highest test scores in Pennsylvania, the study also showed that cyber schools in Pennsylvania were performing worse than brick and mortar charter schools as well. Cyber schools proved to be the worst method of educating Pennsylvania students. Michigan should repeal Public Act 129 of 2012 to ensure that our students do not fall behind in math and reading like the cyber school students in Pennsylvania.

An article in the *New York Times* also shows how Pennsylvania online **students fail to be as proficient in mathematics and reading** as their traditional student counterparts. The chart below shows how several different cyber schools perform significantly worse than the average Pennsylvania traditional public school. NEED TO GET MORE DATA FROM THIS ARTICLE.



(Saul 1)

While acknowledging that data shows that online schooling can have benefits at the adult level, I will explain how policy on K-12 education should not be based on this research. There is not enough achievement data on cyber schools at the K-12 level to qualify this policy. **Students at this level are in a developmental stage**, and data shows that they need some form of in person, classroom education. “‘The early development of children requires lots of interaction with other children for purposes of socialization, developing collaboration and teamwork, and self-definition,’ said Irving Hamer Jr., deputy superintendent of Memphis city schools” (Saul). It’s necessary that the governor consider how important in person contact with a teacher is to a student’s academic achievement. I WANT A VISUAL OR MORE DATA TO SHOW HOW IMPORTANT IN-PERSON EDUCATION IS AT A DEVELOPMENT STAGE (K-12 EDUCATION).

Supporters of Public Act 129, which increases the number of cyber charter schools see this change in policy as giving parents and students more choices. The government wants to provide more options to parents, so that they can decide with their student what is best. But the government should not offer a **subpar choice** to students. During the Bush Administration, there were events during Charter School Week where the government praised charter schools, especially cyber schools, because they provided options with students (Thomas). However, by passing this act, the government is supporting an option that the data does not support. The best interpretation of the data is that it is inconclusive. The U.S. Department of Education also has a National Education Technology Plan Technical Working Group that supports the use of innovative technologies in education. There are three areas of the plan that show the benefits of online education: Assessment: Measure What Matters, Executive Summary*,* Productivity: Redesign and Transform (National Education Technology Plan Technical Working Group). I NEED TO ANALYZE AND GO MORE IN DEPTH ABOUT THESE SECTIONS. I WANT TO USE THEM AS COUNTERARGUMENTS OR TO SHOW HOW INCORPORATING TECHNOLOGY INTO A TRADITIONAL CLASSROOM IS MORE BENEFICIAL THAN THE TECHNOLOGY BEING THE CLASSROOM. A student cannot receive a beneficial education by just sitting in front of a computer screen.

The U.S. Department of Education Strategic Plan for Fiscal Years 2011-2014 also presents federal government support of innovative technologies. NEED TO GO DEEPER INTO THIS AS WELL. While the federal government states that technology should be used in the classroom, this should not be interpreted as support of eliminating the classroom entirely (Duncan).

I WANTED TO USE A SIGHT THAT I MENTIONED IN MY RESEARCH DESIGN BY MICHAEL BARBOUR AND THOMAS C. REEVES, “THE REALITY OF VIRTUAL SCHOOLS,” BUT THE SERVER IS TEMPORARILY DOWN. HOPEFULLY, IT WILL BE UP SOON, OR I’LL BE ABLE TO GO TO THE LIBRARY AND LOOK FOR THE ACTUAL BOOK. HE PRESENTED THE ADVANTAGES AND CHALLENGES FACING CYBER SCHOOLS IN A VERY UNBIASED WAY, AND HE PROVIDED SOME THOUGHTS ON HOW WE COULD CHANGE THE LAW IN MICHIGAN TO BETTER SERVE THE NEEDS OF OUR STUDENTS BY ELIMINATING THE CHALLENGES AND EXTENDING THE BENEFITS (BARBOUR).

In conclusion, my policy recommendation would be to repeal Public Act 129 of 2012, also referred to in this policy brief as Senate Bill 619. While the idea of increasing options is enticing, the advantages of cyber schools do not outweigh the challenges. Cyber schools have a negative fiscal impact as they divert Michigan taxpayer funds from public schools and to big, for-profit corporations. Students are also performing poorly in cyber schools, which can be seen if the governor looks at the poor test scores of cyber schooled students in Pennsylvania. I STILL NEED TO DECIDE IF REPEALING OR ADDING AMENDMENTS IS THE BEST WAY TO GO WITH MY RECOMMENDATION.

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