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Report Shows Students Attending K12 Inc. Cyber Schools Fall Behind

BOULDER, CO (July 18, 2012) -- A new report released today by the National Education Policy Center (NEPC) at the University of Colorado shows 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.

These virtual schools students are 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 findings will be presented in Washington today to a national meeting of the American Association of School Administrators (AASA), where the report's lead author, Dr. Gary Miron, is scheduled to debate Dr. Susan Patrick, president and CEO of the International Association for K-12 Online Learning. The report is titled, *Understanding and Improving Full-Time Virtual Schools*.

"Our findings are clear," said Miron, an NEPC fellow, "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."

K12 Inc. schools generally operate on less public revenue, but they have considerable cost savings, says Miron. They devote minimal or no resources to facilities, operations, and transportation. These schools also have more students per teacher and pay 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 current 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 a more rigorous study of student learning in Pennsylvania virtual charter schools conducted by the Center for Research on Education Outcomes (CREDO) at Stanford University. CREDO's study found virtual-school students ended up with learning gains that were "significantly worse" than students in traditional charters and public schools.

Miron and co-author Jessica L. Urschel, a doctoral student at Western Michigan University, analyzed federal and state data sets 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 is the most recent year of available finance data.

Key findings 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% 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% 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.'s schools spend more on overall instructional costs than comparison schools – including the cost of computer hardware and software, but noticeably less on teachers' salaries and benefits.
- K12 Inc. spends little or nothing on facilities and maintenance, transportation, and food service.
- 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 the NEPC's Welner, who is a professor of education policy at the University of Colorado.

Also, students enrolled at K12 Inc. cyberschools are much less likely to remain – raising interconnected issues of mobility, attrition and graduation rates.

“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,” said Miron. “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.”

The NEPC report on K12 Inc., *Understanding and Improving Full-Time Virtual Schools*, can be found on the web at

<http://nepc.colorado.edu/publication/understanding-improving-virtual>.

The mission of the **National Education Policy Center** is to produce and disseminate high-quality, peer-reviewed research to inform education policy discussions. We are guided by the belief that the democratic governance of public education is strengthened when policies are based on sound evidence. For more information on NEPC, please visit <http://nepc.colorado.edu/>.