

Testimony for the Oregon Legislature regarding Online Charter Schools  
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June, 2020

My name is Gordon Lafer. I am a professor at the University of Oregon and an elected member of the Eugene 4J School Board. For the past several years, my research has focused on charter schools. In 2019 I served as an expert advisor to the California Department of Education's Charter School Task Force.

**What is the academic track record of online charter schools?**

- Researchers have long found that the single lowest-performing category of schools are charter schools operated by for-profit companies such as K12 Inc. or Connections Academy.<sup>1</sup>
- The most recent comprehensive national study (done at Stanford University) found that online charter schools have an "overwhelmingly negative impact" on student achievement. By attending online charters, student *lost* an average of 180 days of learning in math compared to similar students attending traditional public schools, leading one analyst to conclude that "it is literally as if the kid did not go to school for an entire year."<sup>2</sup>
- A 2019 study of online charters in Pennsylvania, also conducted by Stanford, found that students in online charters lost the equivalent of 106 days in reading and 118 days in math compared with similar students in traditional public schools.<sup>3</sup>

**Is this because online charters educate different types of students?**

- No. All the above studies were done comparing demographically similar types of students.

**What happens to students who transfer from traditional public schools to online charters?**

- A peer-reviewed academic study published in March of 2020 looked specifically at students who had been enrolled in traditional public schools and switched to online charter schools. The authors report that, for both Reading and Math, “the impact of attending a virtual charter on student achievement is uniformly and profoundly negative.”<sup>4</sup>

#### **How do online charter schools compare with online programs run by school districts?**

- District-run programs are much more effective. A 2019 national study found that 56.7% of online schools operated by school districts achieved acceptable state performance ratings, versus only 29.8% of online charters operated by for-profit companies like K12, Inc. or Connections Academy.<sup>5</sup>
- Furthermore, because they don’t spend money on added administrators, marketing campaigns, or parent company profits, district-run online schools are cheaper than those run by for-profit parent corporations. One 2018 survey of school administrators found that school districts were able to offer a “fully-functioning cyber school option for their students” for \$5,000 per student less than what was being paid to online charters.<sup>6</sup>

#### **Do online charter schools serve all students equally?**

- Online charters typically enroll a smaller percentage of students with special needs than do traditional public schools – and even within this group their enrollment is tilted toward students with more mild needs such as ADHD or dyslexia, rather than those with more serious needs. When the most expensive-to-serve students are concentrated in district-run schools, this creates added fiscal shortfalls for public school districts.

#### **Have there been scandals where these schools were found to have falsified attendance or achievement records?**

- In 2016, K12 Inc. was forced to return over \$160 million in school funding after the California Attorney General charged the company with artificially inflating attendance rates and misleading parents with false advertising about students’ academic progress, class size, parent satisfaction, and the quality of materials provided to students.<sup>7</sup>

- In Pennsylvania's K12, Inc. schools, teachers reported being "pressured to pass students who did little work."<sup>8</sup> Teachers at K12, Inc's schools in California reported that attendance figures were nearly meaningless, as a student logging on for one minute would be counted as a full day's attendance.<sup>9</sup>

### **What is appropriate per-pupil funding for an online charter?**

- Per-pupil funding for traditional schools is based roughly on what it costs to operate a brick-and-mortar school. But funding for online charters is also based on the rough cost of operating a brick-and-mortar school, even though its expenses are dramatically lower. This is what has led Wall Street to treat online charters as a high-profit investment. Oregon taxpayers should not be paying for Wall Street profits. Per-pupil funding should reflect the actual cost of operating an online charter school.

## **Due Diligence: What questions should Oregon legislators ask about online charter schools?**

- 1) Are Oregon taxpayers being charged more than other states for the same service? Companies like K12 Inc or Connections Academy receive very different rates of per-pupil funding in different states. Teachers' salaries may vary by state, but the cost of software and central office administrative services are the same. Oregon legislators should insist that Oregon taxpayers do not pay more for these items than whatever the lowest price is that the company receives anywhere in the country.
- 2) Can students receive an equal or superior education in district-run online schools, and at lower cost? The state should not be paying inflated per-pupil fees to lower-performing online charters if an equally well-performing district-run school is available to that student.
- 3) Will online charters use local teachers and group students with others from their neighborhood, in order to preserve student community and teacher-student relationships? If we are temporarily expanding online for the duration of the COVID crisis, we would ideally have students taught by their regular teachers and be in online classes with the same students who will be in their real classes once the crisis is over.
- 4) What percentage of the teachers are certified in the specific subject matter that they will be teaching?
- 5) Does this school equitably serve all students in the state? How does its share of English Learners, low-income students, homeless students, foster youth, and other high-needs populations compare with that of the school district or state as a whole? What is its share of students with special needs – and what is the share of each of the 14 specific types of need identified by IDEA – in its population compared with the district or state as a whole?
- 6) What are the salaries of the school's top highest-paid positions, and the five top highest-paid positions of any parent corporation it is affiliated with?
- 7) Has the school provided a detailed breakdown of exactly how much it plans to pay its parent corporation for curricular products, technology,

teaching, teacher training, hiring and HR, or other instructional or administrative functions?.

- 8) Is there an independent school board that is elected by citizens or by school parents?

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<sup>1</sup> See for example Center for Research on Education Outcomes (CREDO). 2009. *Multiple Choice: Charter School Performance in 16 States*. Stanford University, [http://credo.stanford.edu/reports/MULTIPLE\\_CHOICE\\_CREDO.pdf](http://credo.stanford.edu/reports/MULTIPLE_CHOICE_CREDO.pdf) and Miron, Gary, Jessica Urschel, Mayra Aguilar, and Breanna Dailey. 2012. *Profiles of For-Profit and Nonprofit Education Management Organizations, Thirteenth Annual Report, 2010-11*. National Education Policy Center. [http://nepc.colorado.edu/files/EMO-profiles-10-11\\_0.pdf](http://nepc.colorado.edu/files/EMO-profiles-10-11_0.pdf).

<sup>2</sup> Comment reported in Valerie Straus, "Study on online charter schools: 'It is literally as if the kid did not go to school for an entire year,'" *Washington Post*, October 31, 2015. <https://www.washingtonpost.com/news/answer-sheet/wp/2015/10/31/study-on-online-charter-schools-it-is-literally-as-if-the-kid-did-not-go-to-school-for-an-entire-year/>. The study is Center for Research on Educational Outcomes, Stanford University, *Online Charter School Study*, 2015. <https://credo.stanford.edu/publications/online-charter-school-study>. s

<sup>3</sup> Center for Research on Educational Outcomes, Stanford University, *Charter School Performance in Pennsylvania*, 2019. <https://credo.stanford.edu/publications/charter-school-performance-pennsylvania>.

<sup>4</sup> Brian Fitzpatrick, Mark Berends, Joseph Ferrare and Joseph Waddington, "Virtual Illusion: Comparing Student Achievement and Teacher and Classroom Characteristics in Online and Brick-and-Mortar Charter Schools," *Educational Researcher* 49(3): 161-175, March 2020. <https://journals.sagepub.com/doi/abs/10.3102/0013189X20909814?journalCode=edra>.

<sup>5</sup> Alex Molnar, *Virtual Schools in the U.S. 2019*, National Education Policy Center, May 2019. <https://nepc.colorado.edu/publication/virtual-schools-annual-2019>.

<sup>6</sup> Cost Analysis: Cyber Charter Schools and School District Cyber Learning Programs." Pennsylvania Association of School Administrators (PASA), 2018. [www.pasa-net.org/Files/SurveysAndReports/2018/CyberCharterRPT06-19-18.pdf](http://www.pasa-net.org/Files/SurveysAndReports/2018/CyberCharterRPT06-19-18.pdf).

<sup>7</sup> Attorney General Kamala D. Harris Announces \$168.5 Million Settlement with K12 Inc., a For-Profit Online Charter School Operator, Office of the California Attorney General, July 8, 2016. <https://oag.ca.gov/news/press-releases/attorney-general-kamala-d-harris-announces-1685-million-settlement-k12-inc>.

<sup>8</sup> <https://www.nytimes.com/2011/12/13/education/online-schools-score-better-on-wall-street-than-in-classrooms.html>

<sup>9</sup> *Virtual Public Education in California*, In The Public Interest, 2015. <http://www.inthepublicinterest.org/virtual-public-education-in-california-a-study-of-student-performance-management-practices-and-oversight-mechanisms-at-california-virtual-academies-a-k12-inc-managed-school-system>.