



JENNIFER M.
GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

January 26, 2009

MEMORANDUM

To: Michigan Senate, Appropriations Subcommittee on Education and K-12
School Aid

Michigan House of Representatives, Appropriations Subcommittee on
Education and K-12 School Aid

From: Carol Wolenberg, Deputy Superintendent

Re: PA 212 of 2008: Cyber School Report; Feasibility of Removing Barriers

Please find attached the report requested of the Michigan Department of Education
pertaining to Section 950 of Public Act 212 of 2008:

EDUCATIONAL TECHNOLOGY AND DATA COORDINATION
Sec. 950. The department shall work with the legislature to examine the
feasibility of removing the barriers to operation of cyber schools that focus on
special student populations such as dropouts or expelled students.

STATE BOARD OF EDUCATION

KATHLEEN N. STRAUS – PRESIDENT • JOHN C. AUSTIN – VICE PRESIDENT
CAROLYN L. CURTIN – SECRETARY • MARIANNE YARED MCGUIRE – TREASURER
NANCY DANHOF – NASBE DELEGATE • ELIZABETH W. BAUER
REGINALD M. TURNER • CASANDRA E. ULBRICH

608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • (517) 373-3324



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



JENNIFER M.
GRANHOLM
GOVERNOR

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

Report to Education Subcommittees

Citation of requirement: PA 212 of 2008

EDUCATIONAL TECHNOLOGY AND DATA COORDINATION

Sec. 950. The department shall work with the legislature to examine the feasibility of removing the barriers to operation of cyber schools that focus on special student populations such as dropouts or expelled students.

Cyber School Definitions

The primary definition of “cyber school” is a school in which 100 percent of a student’s public instruction occurs through online learning. Online learning is defined in Michigan pupil accounting rules as “a nontraditional method of receiving pupil instruction for courses that are taken through online learning or otherwise on a computer or other technology” (Rule 340.11). For the purposes of this report, the terms “cyber school,” “cyber schooling,” and “100 percent virtual learning” are used interchangeably.

Online learning can take different forms, including:

- scheduled (i.e., student must attend a pre-arranged classroom to gain access to the computer-based content)
- blended (i.e., the teacher uses both traditional classroom and online forums to deliver instruction)
- self-scheduled (i.e., student learning that does not require a teacher or student to be physically present in a classroom)

The most substantial regulatory barriers exist for instructional programs that allow students to participate in online learning that takes place outside of a school.

Page 1 of 10

STATE BOARD OF EDUCATION

KATHLEEN N. STRAUS – PRESIDENT • JOHN C. AUSTIN – VICE PRESIDENT
CAROLYN L. CURTIN – SECRETARY • MARIANNE YARED MCGUIRE – TREASURER
NANCY DANHOF – NASBE DELEGATE • ELIZABETH W. BAUER
REGINALD M. TURNER • CASANDRA E. ULBRICH

608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • (517) 373-3324

Legal Barriers

The primary limitation on the development of 100 percent virtual schools in Michigan is the traditional model of education required by law that envisions students in physical school classrooms being taught by certificated teachers who are physically present with the students. This method of instruction is promoted by the manner in which students are counted as the pupils of a certain district for school aid payments, in the state's pupil instruction hour requirement, in the certificated teacher requirement for virtual learning options, and by the limit on the number of self-directed virtual courses a student may take. A similar limitation on the number of virtual courses is in place for students who are participating in alternative education programs as a result of their suspension or expulsion; however, the Michigan Superintendent of Public Instruction has the statutory authority to waive this requirement and has done so to permit a dozen pilots for 100 percent self-scheduled virtual schools in the state.

Per pupil funding is based on the assumption and documentation that 75 percent of students claimed by a school district or public school academy (PSA) are in physical attendance each day (MCL 388.1701(3)(b)).

Funding is allocated based on the district providing a minimum of 1,098 hours of instruction to the total number of students present on school premises on specific "count days" in September and February (MCL 388.1701(3)(a) & 2008 MR 18, R 340.10(1)).

Attendance and minimum hour requirement waivers are available for students in alternative education (MCL 388.1701).

Students who are temporarily homebound or hospitalized must be provided with educational services twice a week to count as full-time enrolled students in the school district. Homebound students may participate "virtually" from home (MCL 388.1709).

Schools are required to permanently expel students who are in possession of dangerous weapons on school property but are not required to provide alternative education for expelled students. Schools are also not required to assist parents to locate educational alternatives for their expelled children (MCL 380.1311).

Michigan Department of Education (MDE) Administrative Rules currently impose a two course limit on self-scheduled virtual learning courses (Rule 340.11(4)). In order for these courses to count towards the minimum pupil instructional hour requirement, each course must be approved by the school district's board of education, generate credit toward the student's high school diploma or grade progression, have a teacher of record, and assign the student a certificated teacher as a mentor to assist and monitor progress in the course. The Superintendent of Public Instruction has the authority to waive Administrative Rules, but does not have the authority to waive provisions in state statute unless the statute specifies waiver authority.

Public School Academies (PSAs), formed under Michigan's Charter School laws, face added barriers to instituting cyber schools (MCL 380.502). Michigan's charter school laws do not permit public school academies to operate more than one single site for each configuration of grades MCL 380.504(1). This means that it may only have multiple sites as long as each site is used for different grades.¹ Online learning that takes place at a student's home or other non-school location has been interpreted as the equivalent of operating more than one site for each grade. The 1996/1997 case of Noah Webster Academy, Michigan's first charter school and first virtual school, raised the issue of whether a virtual learning environment in which students participate in classes from computers that are situated in their homes or other locations constitutes multiple sites for the purposes of this law, but ultimately this issue was not resolved by the court.

Models of Cyber Schooling

The Center for Digital Education (CDE) released a report at the November 2008 Virtual School Symposium indicating that three quarters of states already have state-sponsored online learning programs (Attachment A is a table summary of CDE's findings). A primary reason Michigan ranked highly in the CDE report is because the Michigan Legislature included the first-in-the-nation, online learning high school graduation requirement in the Michigan Merit Curriculum, which was adopted in 2006.

Online courses are often structured in a way that allows for scheduling flexibility for students facing scheduling conflicts, affording opportunities to at-risk students, elite athletes and performers in the arts, dropouts, pregnant or incarcerated students, and students who are homebound due to illness or injury, allowing them to continue their studies outside the traditional classroom.

A research synthesis conducted by McREL suggests that computer-assisted instruction (known as CAI) contributes to learning of at-risk students for a number of reasons: It is nonjudgmental and motivational; facilitates frequent and immediate feedback; allows teachers to individualize learning through designs to meet students' needs; allows for more student autonomy; and provides a multisensory learning environment incorporating images, sounds, and symbols (Barley et al. 200, pg. 97).²

Furthermore, technology allows teachers to differentiate instruction more effectively by providing a wider variety of avenues for learning that reach students of divergent readiness levels, interests, and learning styles.³

¹ OAG, 2003, No. 7126 (March 6, 2003).

² Pitler, et al., Using Technology with Classroom Instruction that Works, (Denver, Co: ASCD/McREL, 2007), 3.

³ Pitler, et al., 3.

Several states have constructed cyber school models in several different ways including statewide, state led and charter cyber school providers. Here is a sample of state and national cyber school models:

Connections Academy

- 14 schools in 12 states, mostly charter schools
- Offer 375 courses, a complete high school curriculum including honors courses and foreign language
- Provide skilled tutors and learning coaches
- Strong emphasis in achievement and participation
- Program supplements local school district efforts
- www.connectionsacademy.com/

Insight Schools

- 6,400 students nationwide, 40 percent “previously un-enrolled”
- Incoming student GPA is 1.8
- Operates in 10 states
- Each full time teacher has 150 students
- Offers 120 courses
- Aligns instruction to state standards where applicable
- Full time students receive pre-loaded computer and internet connection
- www.insightschools.net/

Florida Virtual School

- Largest virtual school operating in 32 states and 13 countries
- Instructors are all certified teachers but are not required to live in Florida
- 97% retention rate for teachers
- Florida Virtual has a full time curriculum department
- Homework help lines are available for students
- 12 class enrollments equal one FTE
- Only successful students receive funding
- Local school districts award diplomas
- Students must secure their own computer and internet access
- www.flvs.net/

Indiana University High School

- Has students in all 50 states
- 1,700 students enrolled in high school diploma programs
- Teachers have 20 to 40 students per course
- North Central and NCS accreditation
- Tuition and fees are paid by the student
- No support from the state of Indiana
- Program delivery mirrors a traditional correspondence course concept
- iuhighschool.iu.edu

Michigan Virtual School (Michigan Virtual University)

- 2nd rank virtual school in the country; 2nd longest in operation
- Instructors are all Michigan certified teachers and highly qualified in the subjects that they teach
- More than 11,000 course registrations in 2007-2008; 90 percent completion rate
- Serving more than 800 schools in Michigan
- Provides training to school-based mentors
- Partner in several of Michigan's seat time waiver pilots as education service provider
- www.mivu.org

Not School (based in the UK)

- Current partner with Westwood Community School's "Cyber School" program (seat time waiver)
- Research based, constructivist, project based learning model, targeting drop-outs
- 8 years of operations with 3,500 students completing the re-engagement program
- 93 percent graduate success rate (61% are going to college; 18% obtain employment; 14% are seeking employment)
- www.notschool.net

Ohio Virtual Academy (K12.com is national provider)

- 7,000 students in Ohio, many high need students
 - 1,500 former "brick & mortar" teachers
 - Set curriculum delivered by teachers that does not allow the student to progress unless mastery is demonstrated
 - Parent participation is required
 - Mentors are available to assist students
 - Computer and internet connection provided by the academy
- www.k12.com/ohva/

Feasibility of Removing Barriers

Michigan Administrative Rules can be redefined to provide Michigan Public School Districts and Public School Academies more flexibility in implementing cyber school programs, and some terms in current state statute could be redefined. For example, the statute on compulsory school attendance could define "attendance" to include online instruction or cyber schools. And, the statute on pupil expulsion could also require school districts to provide online instruction since the district is receiving state aid funding for the pupil.

The Superintendent of Public Instruction has worked within his administrative authority to provide more flexibility to districts in developing innovative programs by offering alternative education waivers to school districts and PSAs for pilot programs that focus on academic proficiency instead of "seat time." These waivers are issued on an annual basis with no guarantee of renewal. The primary effect of

the waivers is to remove the limit on two self-scheduled online courses per semester. Schools that receive a waiver must submit an annual report. The data reported by the pilots will begin to identify promising practices in online learning and identify the support needed to ensure academic success especially for students who have dropped out or are at risk of dropping out.

Recommendation

The use of Administrative Rule waivers does not address the appropriate level of funding needed for a cyber school, the quality standards for online curriculum and instruction, or the modification or elimination of current state statute that imposes a “seat time” model on the education system. If the Michigan Legislature desires to extend cyber school opportunities to more Michigan students, particularly those who are at-risk of or who have already dropped out of traditional schools, the Legislature could give the Superintendent rule-making authority to promulgate rules to describe, define and govern 100 percent virtual learning.

This rule promulgation would take approximately 12 months to include all stakeholders in the rule making process such as the local and intermediate school districts, Michigan Pupil Accounting and Attendance Association, Michigan Virtual University, parents, and the business community. As with all Administrative Rules, the resultant rules and guidance would be taken out for public hearing before adoption.

The Michigan Department of Education would like to thank the following Central Michigan researchers for their assistance with this report: Regina Umpstead, Ph.D., J.D., Assistant Professor, Education Leadership (Law); Tim Brannan, Ph.D., Professor and Director of MA Program in Educational Technology; Greg Dumont, A.B.D., Associate Director of Academic Computing.

For further information about this report please contact Bruce Umpstead, Director, Education Technology and Data Coordination (umpsteadb@michigan.gov or 517-335-2957).

**Attachment A: State Comparison
Center for Digital Education 2008**

State	Program Type	Funding Type	Course Enrollment	Fund full-time students?	Growth Rate
Alabama	Supplemental	State-led	18,955	Yes	0-25%
Alaska	Full-time	Charter	3,682	Yes	0-25%
Arizona	Full-time	Charter	15,000	Yes	25-50%
Arkansas	Supplemental and Full-time	State-led and Charter	3,000	Yes	25-50%
California	Full-time	State-led and Charter	749	Yes	N/A
Colorado	Supplemental and Full-time	State-led and Charter	1,931	Yes	N/A
Connecticut	Supplemental	State-led	500	No	N/A
Delaware	No State Program	N/A	N/A	Yes	N/A
Florida	Supplemental and Full-time	State-led and Charter	210,000	Yes	35%
Georgia	Supplemental and Full-time	State-led and Charter	9,404	Yes	50%
Hawaii	Supplemental and Full-time	State-led and Charter	1,500	Yes	20%
Idaho	Supplemental and Full-time	State-led and Charter	6,619	Yes	80%
Illinois	Supplemental	State-led	4,031	Yes	10-15%
Indiana	Supplemental and Full-time	Statewide	1,081	Yes	30%

State	Program Type	Funding Type	Course Enrollment	Fund full-time students?	Growth Rate
Iowa	Supplemental and Full-time	State-led	567	Yes	20%
Kansas	Full-time	Charter	N/A	Yes	N/A
Kentucky	Supplemental	State-led	2,214	No	30%
Louisiana	Supplemental and Full-time	State-led	5,870	Yes	15-20%
Maine	No State Program	N/A	250	N/A	N/A
Maryland	Supplemental	State-led	927	No	0%
Massachusetts	Supplemental and Full-time	Statewide	10,112	Yes	50%
Michigan	Supplemental	Statewide Non-Profit ¹	11,000	Yes ²	25%
Minnesota	Full-time	Charter	80	Yes	N/A
Mississippi	Supplemental and Full-time	State-led	2,100	Yes	42%
Missouri	Supplemental and Full-time	State-led and Charter	10,500	Yes	20-30%
Montana	No State Program	N/A	480	No	N/A

1 The information provided in the CDE report reflects Michigan Virtual School, which is a statewide non-profit.

2 Michigan has provided 14 public school districts and public school academies (out of 838) with "seat time waivers" that allow a certain portion of the student population to take online courses in a "full time" status.

Barriers to Cyber Schools Report

State	Program Type	Funding Type	Course Enrollment	Fund full-time students?	Growth Rate
Nebraska	No State Program	Largest District	3,500	No	N/A
Nevada	Full-time	Charter	3,500	Yes	N/A
New Hampshire	Supplemental and Full-time	Statewide	N/A	Yes	N/A
New Jersey	Supplemental	Statewide	N/A	No	N/A
New Mexico	Supplemental and Full-time	State-led	349	Yes	Just started
New York	No State Program	N/A	N/A	No	N/A
North Carolina	Supplemental and Full-time	State-led	19,233	Yes	Just started
North Dakota	Supplemental and Full-time	State-led	1,808	Yes	2%
Ohio	Full-time	Charter	20,070	Yes	N/A
Oklahoma	Supplemental	Statewide	2,800	No	20-25%
Oregon	Supplemental and Full-time	Statewide	8,000	Yes	20%
Pennsylvania	Full-time	Charter	21,000	Yes	N/A
Rhode Island	No State Program	N/A	N/A	No	N/A
South Carolina	Supplemental and Full-time	State-led and Charter	7,389	Yes	350%

Barriers to Cyber Schools Report

State	Program Type	Funding Type	Course Enrollment	Fund full-time students?	Growth Rate
South Dakota	Supplemental and Full-time	Statewide	222	Yes	25-30%
Tennessee	No State Program	N/A	2,791	No	N/A
Texas	Supplemental and Full-time	Statewide	N/A	Yes	25%
Utah	Supplemental and Full-time	State-led and Charter	7,500	Yes	6%
Vermont	No State Program	N/A	250	No	N/A
Virginia	Supplemental and Full-time	State-led	6,118	Yes	30%
Washington	No State Program	N/A	14,266	No	N/A
West Virginia	Supplemental	State-led	1,705	No	25%
Wisconsin	Supplemental and Full-time	State-led and Charter	1,704	Yes	0%
Wyoming	No State Program	N/A	250	Yes	N/A