



OAG

Office of the Auditor General

Report Summary

Performance Audit

Report Number:
313-0225-18

Virtual Learning in Cyber Schools

Michigan Department of Education (MDE)

Released:
September 2021

Cyber schools are public school districts organized and operated under Section 380.552(2) of the *Michigan Compiled Laws* and designed to provide full-time instruction to students through online learning or otherwise on a computer or other technology, and this instruction and learning may occur away from a school facility. Authorizing bodies (authorizers) opened 18 and closed 3 cyber schools since the 2010-11 school year. During our audit period, authorizers opened 8 cyber schools and the number of students participating in virtual learning in cyber schools increased 32% to approximately 17,000 students in the 2018-19 school year.

This audit is the third in a three-part series on virtual learning in Michigan.

Audit Objective			Conclusion
Objective 1: To assess the sufficiency of MDE's monitoring of cyber school authorizers.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDE's assurance and verification process did not require cyber school authorizers to develop plans to address MDE's recommendations and did not include procedures to detect noncompliance in cyber schools. MDE recommended improvements in all 16 (100%) key monitoring processes for 2 (50%) of 4 authorizers we reviewed. In addition, we identified noncompliance in all 5 (100%) of the cyber schools we reviewed operating under the 4 authorizers. MDE asserted it did not have the authority to address when authorizers are not sufficiently monitoring the cyber schools (Finding 1).	X		Partially agrees
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Legislative clarification may help ensure cyber schools provide students with computers when needed and Internet funding to families (Observation 1).			Not applicable for observations.

Audit Objective			Conclusion
Objective 2: To assess the effectiveness of MDE's efforts to monitor and evaluate the virtual learning provided by cyber schools.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Documentation was insufficient to support cyber school students' participation in coursework for 52% of the students reviewed. Cyber schools did not support participation in 14% and 23% of courses reviewed during the fall and spring count periods, respectively. Five of 7 cyber schools reviewed could not provide any documentation to support that their students met the 1,098-hour participation requirement (<u>Finding 2</u>).	X		Agrees
Opportunities exist for MDE to utilize available information to develop a more comprehensive strategy to assess the quality and effectiveness of the virtual learning provided by the cyber school model (<u>Finding 3</u>).		X	Partially agrees
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Potentially unclear legislation exists concerning criminal history background checks for cyber school employees who may reside outside of Michigan and potentially conflicting legislation exists for some enrollment eligibility requirements for cyber schools. In addition, legislative requirements regarding minimum hours of participation for cyber school students may not be appropriate or measurable in a virtual learning environment (<u>Observation 2</u>).			Not applicable for observations.

Audit Objective			Conclusion
Objective 3: To assess the sufficiency of MDE's process to ensure that contracts establishing cyber schools meet statutory requirements.			Sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.			Not applicable.

Audit Objective			Conclusion
Objective 4: To compile information on the State's funding of cyber schools and their reported costs.			Compiled
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.			Not applicable.

Observations Related to This Audit Objective (Continued)	Material Condition	Reportable Condition	Agency Preliminary Response
Enhanced financial reporting requirements for cyber schools and their educational management organizations for the use of State school aid funding could help improve transparency, accountability, and consistency with traditional public schools (<u>Observation 3</u>).			Not applicable for observations.

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