

GAO Highlights

Highlights of [GAO-22-104444](#), a report to congressional requesters

K-12 EDUCATION

Department of Education Should Help States Address Student Testing Issues and Financial Risks Associated with Virtual Schools, Particularly Virtual Charter Schools

Why GAO Did This Study

Enrollment in virtual schools has increased faster than enrollment in other types of public schools in recent years. This trend was accelerated by COVID-19, which prompted an increase in distance learning. Virtual charter schools account for about 70 percent of students enrolled in virtual schools.

GAO was asked to review virtual charter school operations and oversight. This report examines (1) how virtual charter schools provide student instruction, (2) how virtual schools' academic proficiency and participation rates on state tests compare to other school types, and (3) the extent to which virtual charter schools' operations present challenges for state and federal oversight.

GAO interviewed state and charter authorizer officials from four states collectively serving over 50 percent of all virtual charter school students in 2019-2020. GAO analyzed federal data on virtual charter school enrollment and academic outcomes; reviewed a nationally representative sample of virtual charter school websites; reviewed school financial information; and interviewed federal and school officials.

What GAO Recommends

GAO is recommending that Education examine lower testing participation rates in virtual public schools, and ensure states report comparable attendance information for public schools in a state as well as accurate information on charter schools' contracts with management organizations. Education agreed with these recommendations.

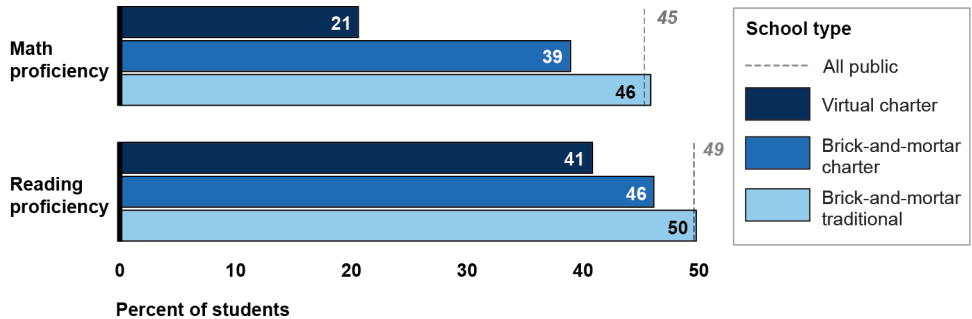
View [GAO-22-104444](#). For more information, contact Jacqueline M. Nowicki at (617) 788-0580 or nowickij@gao.gov.

What GAO Found

Virtual charter schools—public charter schools that operate entirely or mostly online—largely depend on self-paced, asynchronous (accessed at any time) instruction and often rely on parents to act as instructors, according to GAO's review of a nationally representative sample of virtual charter school websites and interviews with school officials. Officials told GAO that families may choose these schools partly for these reasons, but students can struggle with the level of independence and parents can find the time commitment overwhelming.

Virtual charter schools had significantly lower proficiency rates on states tests compared to other school types. For example, the average math proficiency rate for virtual charter schools was 25 percentage points lower than the rate for brick and mortar traditional schools (see figure). In addition, a smaller proportion of virtual school students participated in state tests. However, there is a lack of systematic information about why virtual schools have lower participation rates and what common challenges across states may be contributing to low rates.

Average Student Proficiency Rates in Math and Reading, by Public School Type, School Year 2018-2019



Source: GAO analysis of the Department of Education's ED Facts data. | GAO-22-104444

Virtual schools may pose increased financial risks due to challenges measuring attendance and—for charter schools, specifically—contracts with management organizations. State officials in the four states GAO reviewed reported different ways of measuring attendance for virtual compared to brick-and-mortar schools. Attendance calculations can affect the amount of certain state and federal funds a school receives. In addition, an estimated 42 percent of virtual charter schools had contracts with for-profit management organizations based on GAO's review. These contracts can pose heightened financial and programmatic risks to federal funds, according to Department of Education officials. To better understand the scope of the issue, Education officials told us they required states to report information about their contracts with charter school management organizations, including their for-profit status. However, GAO found inaccuracies and undercounting of management organizations in these data. Education's 2020 Data Strategy calls for using appropriate, accurate data. Unless Education takes steps to improve data quality, and to examine and address barriers to measuring and reporting student attendance consistently, inappropriate allocation of federal funds will remain a risk.