

TO: House Committee on Ways and Means

BILL: House Bill (HB) 1373 – Education – Virtual Schools – Operation by For-Profit Entities

DATE: March 3, 2025

POSITION: Information

The Maryland State Department of Education (MSDE) is providing information for consideration regarding House Bill (HB) 1373 – Education – Virtual Schools – Operation by For-Profit Entities, which repeals a provision of law prohibiting a local education agency (LEA) from contracting with a for-profit entity to operate or administer a virtual school.

Demand for virtual schools varies widely across the State. MSDE has established a process to approve virtual schools and/or programs designed by LEAs. Applications from twenty-three of the LEAs have been approved. The programs are customized to meet the needs of their students and communities. Only two LEAs are operating a virtual school in school year 2024-25, and approximately fifteen LEAs are operating a virtual program. However, all 24 LEAs participate in the Maryland Virtual Student Learning Opportunities Program. Currently, LEAs are permitted to use some online curriculum and resources from for-profit vendors within their virtual schools or programs. Further, LEAs have combined resources to design collaborative programs such as the Eastern Shore of Maryland Educational Consortium (ESMEC) Virtual Learning Program.

MSDE has concerns about for-profit operators entering the virtual school market in the State. Research on virtual schools operated by for-profit entities in other states has shown that their students have worse academic outcomes, including lower reading and math achievement, lower academic growth, and lower graduation rates, than the state average and school districts with similar student populations.¹ Further, data from Maryland school districts showed that, in school year 2021-2022, students in vendor-run virtual schools had twenty hours less of synchronous instructional time per week and much higher course failure rates than students in district-run virtual schools². This underscores the need for robust oversight and policy reforms to ensure that these schools serve the best interests of students.

We respectfully request that you consider this information as you deliberate **HB 1373**. For further information, please contact Dr. Akilah Alleyne (Executive Director of Government Affairs) at 410-767-0504 or akilah.alleyne@maryland.gov.

¹ Benner, Meg, and Neil Campbell. "Profit Before Kids: An Analysis of the Performance and Financial Practices of For-Profit, Virtual Charter Schools." Center for American Progress, October 10, 2018.

<https://www.americanprogress.org/article/profit-before-kids/>.

² Maryland State Department of Education. "Local Education Agency Virtual Programs Update." January 25, 2022.

<https://www.marylandpublicschools.org/stateboard/Documents/2022/0125/LEAVirtualProgramsUpdateJanuary2022Updated.pdf>.