

STRATEGIC DECISIONS

– A Framework for the Future –



2014-17

AUGUST 2014

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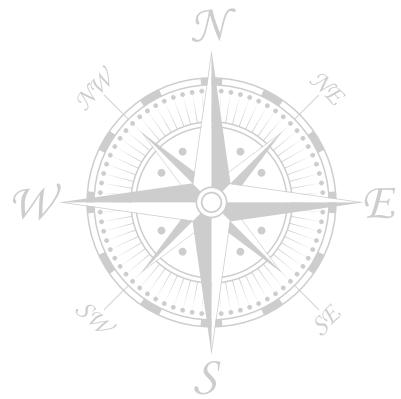
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August 2014

Dear Stakeholder:

This document serves as a strategic compass for *Michigan Virtual University®* (*MVU®*). Working with a group of internal and external stakeholders, we prepared this planning tool to help guide important decisions as we strive to better serve Michigan's K-12 community and policymakers as a trusted leader, partner, innovator and capacity builder.

Last year, *MVU* published a major policy report that examines the future of education in Michigan and the role that technology could and should play in that future. The research project served as an important foundation for our strategic planning process. The report findings are clear — Michigan needs to design an education system that includes technology-based tools and support to provide an individualized education for all students as well as increased support for classroom teachers to lead this effort.

The use of online and blended learning holds great promise as instructional strategies to expand and personalize learning opportunities for students. We believe personalizing learning cannot happen on a statewide scale without a clear vision and a plan to harness fully the power of technology while supporting teachers through this transition.

We are in the early stages of a growing field that is beginning to mature but has yet to reach its full potential. No single delivery model works for all learners, and online learning is no different. However, if we want all students to graduate and be college and career ready, all educators need to recognize that the use of online learning is a growing part of higher education and the world of work and plan accordingly.

As a nonprofit educational organization, *MVU* is uniquely positioned to support change, conduct important research and disrupt the status quo as a partner, not a competitor, with the K-12 community. We do not operate as a for-profit company, state agency, community college, public university or traditional school district. We are a small, nimble organization made up of talented professionals who are passionate about teaching, learning and technology.

The transition of learning environments from traditional classroom models to any time, any place, any pace learning systems will require the transformation of both individual and organizational behavior. *MVU* stands ready and looks forward to working with the state's policy leaders and school officials to further develop Michigan's online learning industry and to help position the state to assume a national leadership role in the knowledge economy.

This strategic plan reaffirms our commitment to provide leadership, high quality online educational services and capacity building support to expand opportunities for students, educators and school administrators. The plan refines the direction of *MVU* rather than sets a radical new path. We will continue to strive to help Michigan realize a vibrant "ecosystem" that successfully supports online and blended learning.

A handwritten signature in black ink, appearing to read "Jamey Fitzpatrick".

Jamey Fitzpatrick
President & CEO, *MVU®*



History

Michigan Virtual University was established in 1998 by the State of Michigan. MVU is a private, nonprofit 501(c)(3) corporation and is governed by an independent board of directors comprised of individuals representing business, industry, higher education, K-12 education and state government.

MVU began to serve Michigan's K-12 community with online instructional services as a result of Public Act 230 of 2000, which launched the *Michigan Virtual School*® (MVS®). In 2005, MVS was awarded accreditation by the North Central Commission on Accreditation and School Improvement (NCA) and the Commission on Interna-

tional and Trans-Regional Accreditation (CITA). MVS was re-accredited in 2010.

Michigan's interest in and commitment to digital alternatives to traditional instruction have a relatively long history including more than a decade of legislation and policy development. MVU has worked with the K-12 community and policy leaders for 15 years to help make Michigan a leader in innovative education and forward-thinking policies. Figure 1 traces the interrelated efforts of MVU and the state policy leaders from its beginning in 2000 through today.

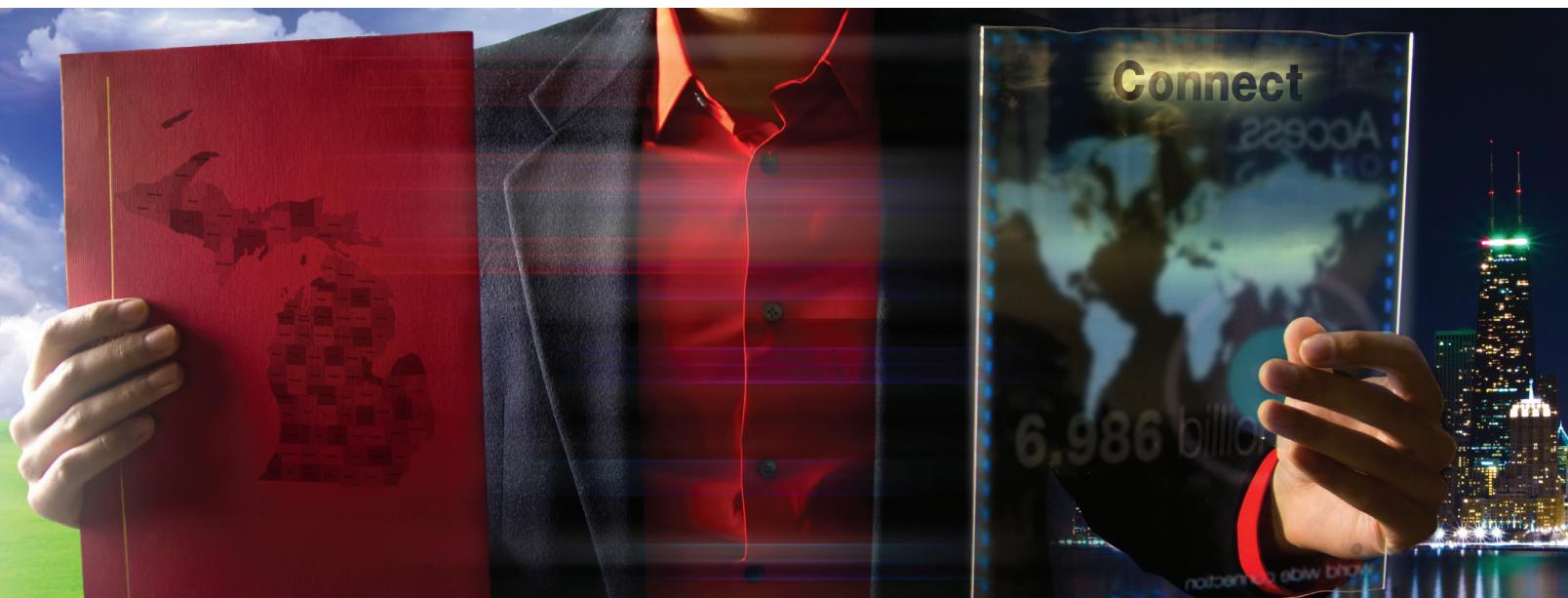


Figure 1: Michigan Changing Policy Landscape

2000	2004	2006	2008	2009
Enacted legislation to create the <i>Michigan Virtual School</i> operated by the <i>Michigan Virtual University</i> . (P.A. 230 of 2000)	Dedicated first-time appropriation support for K-12 online professional development. (P.A. 351 of 2004)	Became the first state in the nation to pass a requirement that students have an "online learning experience" before graduating from high school. (P.A. 123 &124 of 2006)	Allowed school districts to seek a waiver of the state's pupil accounting rules to allow eligible full-time students to take all of their coursework online through a process implemented by Michigan's Superintendent of Public Instruction.	Allowed the formation of two full-time online charter schools. (P.A. 205 of 2009)
2012	2013			
Raised the enrollment cap for cyber schools and allowed up to 2% of Michigan's total public school enrollment (about 30,000) to participate in full-time programs. (P.A. 129 of 2012)	Allowed traditional school districts, intermediate school districts, and community colleges (within the college's regional boundaries) to each authorize one "school of excellence that is a cyber school." Statewide authorizing bodies were limited to authorizing in aggregate a total of five cyber charters in 2013, 10 in 2014, and 15 after 2014. (P.A. 129 of 2012)	Enacted legislation to create the <i>Michigan Virtual Learning Research Institute</i> ™ (MVLR™) within the <i>Michigan Virtual University</i> . (P.A. 201 of 2012)	Enacted legislation that allows students in grades 5 to 12 to enroll in up to two online courses as requested by the pupil during an academic term, semester or trimester. (P.A. 60 of 2013)	

Organization Roles

MVU has played three key roles to support and accelerate the growth and development of online learning in Michigan's K-12 schools. Initially the organization served as a change agent at a time when most school leaders and parents were not familiar with online learning. Over the past decade, *MVU* has invested significant time and resources to create a general awareness of online learning for Michigan's policy makers, educators, parents and students.

As school leaders developed an appreciation for the value and potential of online instruction, *MVU* also became a service provider of high quality online courses and career planning tools. These efforts included helping schools develop local support systems to ensure student success through mentor training, technical support and help desk services. *MVU* also introduced innovative online professional development programs and services for all Michigan K-12 education personnel.

A third role for *MVU* has evolved as schools adopt locally developed online learning programs, including blended models using classroom-based and online resources. For *MVU*, this capacity building role includes helping schools with teacher training, acquiring online content, online assessments, quality assurance, evaluation, and infrastructure and technical support services.

In 2012, the Michigan Legislature asked *MVU* to establish a Center for Online Learning Research and Innovation, and through this center, directed *MVU* to engage in a variety of strategic initiatives to advance understanding of the interrelationship of learning and technology. The center, now formally known as the *Michigan Virtual Learning Research Institute*, is a natural extension of the work of *MVU*.

MVU Divisions

At the start of the 2014-15 school year, *MVU* will enter its sixteenth year of leadership in online learning. From its beginning in 1998, *MVU* began supporting Michigan's education, industry and business sectors to move forward using technology in education and training.

MVU operates the *Michigan Virtual School*, founded in 2000; *Michigan LearnPort*®, launched in 2004; and the *MVLRI*, created in 2012. These divisions enable *MVU* to continue to lead in the core areas of leadership, innovation and research, quality services and capacity building in the K-12 community in personalizing education through online and blended learning.

Michigan Virtual School



The *Michigan Virtual School* offers a robust catalog of more than 200 online courses in core subject areas and electives.

Since the enactment of P.A. 230 of 2000 and the launch of *MVS*, the division has provided nearly 150,000 online course enrollments to middle and high school students.

Michigan LearnPort



From classroom teachers to administrators, from bus drivers to cafeteria workers, *MVU* offers online professional development programs designed for the state's more than 150,000 K-12 employees. To date, *Michigan LearnPort* has provided over 117,000 State Continuing Education Clock Hours and recorded just over 90,000 enrollments.

Michigan Virtual Learning Research Institute



MVLRI supports new learning models in online and blended learning to strengthen the state's infrastructure for sharing best practices. Through *MVLRI*, *MVU* provides important leadership in research, policy recommendations, innovation and development of human resource networks. After only one year in operation, *MVLRI* received the International Research Award from iNACOL for outstanding research in K-12 online learning.

Preliminary Study of Education and Technology

Planning for the future began in earnest in the summer of 2012 when Governor Snyder asked MVU to study two key questions:

- What is the future of education?
- What role could instructional technology play in that future?

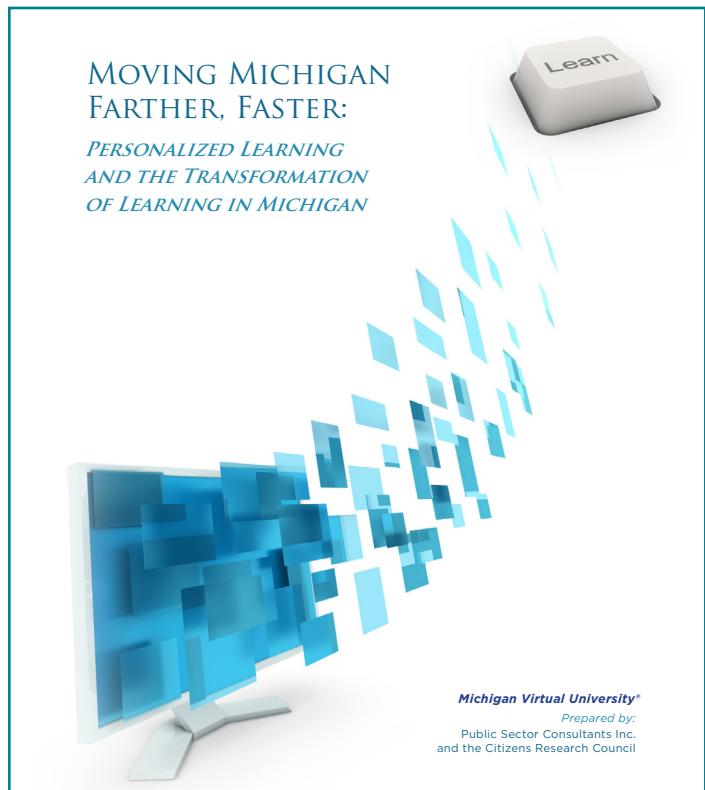
MVU commissioned an independent study and report by two of Michigan's leading policy organizations: Public Sector Consultants (PSC) and Citizen's Research Council (CRC). In the spring of 2013, MVU released "Moving Michigan Farther, Faster: Personalized Learning and the Transformation of Learning in Michigan."

The research project served as an important foundation for our strategic planning process. The report findings are clear — Michigan needs to design an education system that includes tools and support to provide an individualized education for all students as well as increased support for classroom teachers to lead this effort.

Planning Assumptions

The examination of public education by independent policy experts with an eye toward the future confirmed four important planning assumptions for MVU's leadership team:

1. Michigan's K-12 education system must leverage the power and potential of technology tools to differentiate instruction, achieve new efficiencies and make learning more relevant for today's students.
2. Online and blended learning will serve as critically important instructional strategies to personalize learning for all students in the state.
3. The transition process to the future for the K-12 community will likely be fraught with resistance to change and by many trials and errors with no clear road map that guarantees student success and system sustainability.
4. The need for leadership, research and capacity building support is essential for the K-12 system, and MVU is uniquely positioned to facilitate system level changes.



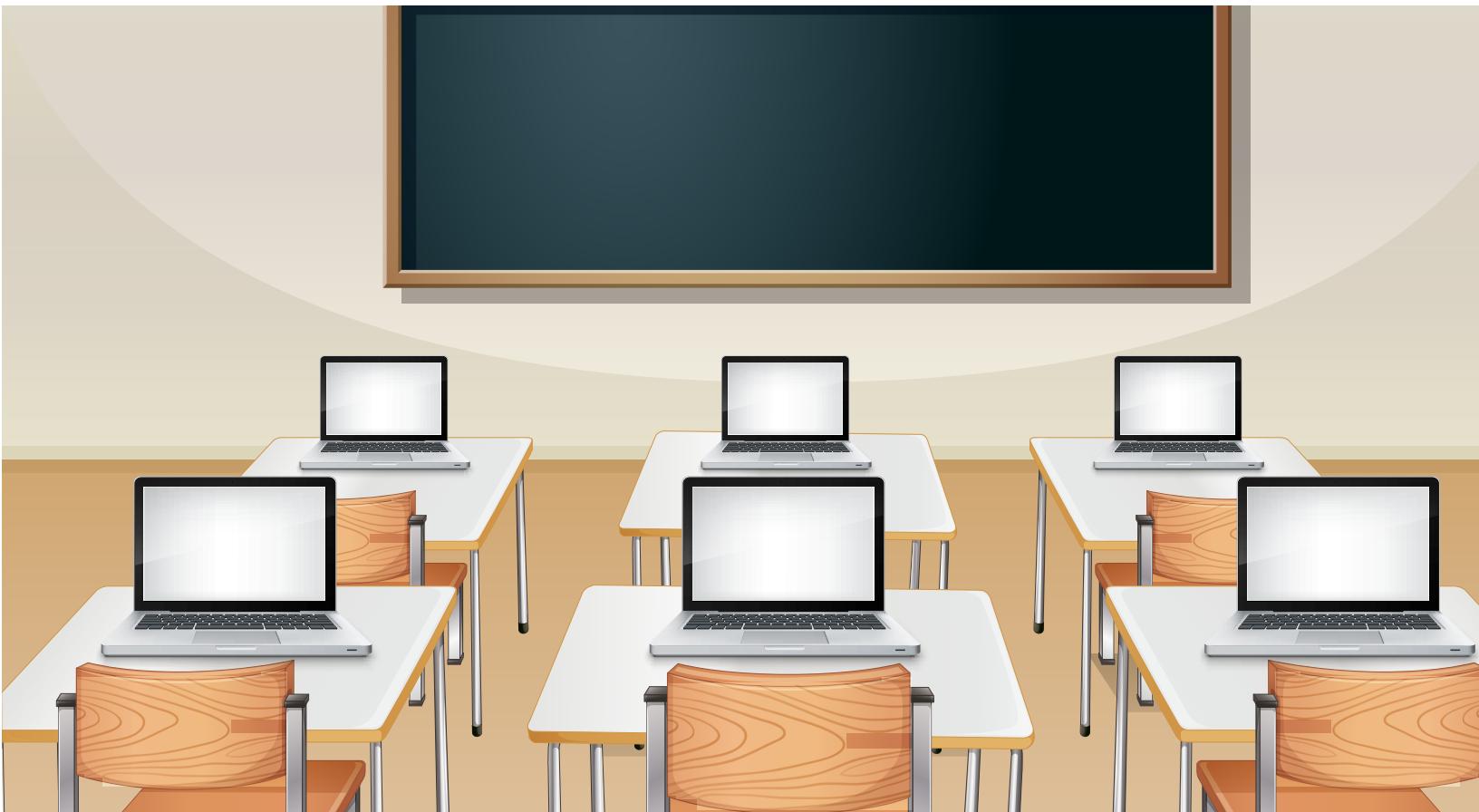
Strategic Planning

"Failing to plan is planning to fail."
(widely attributed to Alan Lakein)

MVU determined after the Moving Michigan Farther, Faster report and a series of meetings with key stakeholders that a comprehensive approach was needed to help focus the organization and set a shared framework for decision making.

During the summer of 2013, MVU leadership initiated a formal strategic planning process. MVU adopted an inclusive approach that brought together leading external stakeholders and broad representation from within the company in a multi-month process that led to the establishment of strategic goals and the beginning of action plans to reach them.

“ Failing to plan is planning to fail. ”



Michigan's Landscape

The K-12 environment in Michigan is undergoing unrelenting pressure to change, to improve student achievement while experiencing constricting resources.

Michigan local school districts have risen to fiscal challenges by combining services across multiple districts and consolidation. In two cases, the state dissolved districts and merged the students into surrounding school districts. In his June 2013 quarterly report, Michael Flanagan, Michigan Superintendent of Public Instruction, reported 55 school districts operating at a deficit.

Local and intermediate school districts are looking for solutions that will help raise student achievement and graduation rates with fewer resources targeted toward classroom instruction.

Legislation – 21f

Based on policy recommendations from Governor Snyder, the Michigan Legislature took action in 2013 to expand student access to digital learning options further and adopted MCL 1688.21f. As a result, students enrolled in a public local district or public school academy in grades 5-12 were eligible to enroll in up to two online courses during an academic term beginning in January 2014.

Growth of Online and Blended Learning

A report released by MVLRI estimated that in the 2012-13 school year, over 185,000 virtual enrollments were delivered in Michigan, with the majority of virtual enrollments occurring in core subject areas such as mathematics, science and English. Though MVS has experienced growth during the past five years, it provides only a fraction of the online enrollments taken by Michigan K-12 students.

Interest in blended learning, combining the best elements of traditional classroom and online opportunities, is also increasing. According to Keeping Pace 2013, an annual report on K-12 online policy and practice across the U.S., at least seven blended schools — the first of their kind — are now operating in Michigan. To help nurture the interest in blended instruction, MVU is currently piloting a blended learning consulting project with some Michigan schools.



Mixed Results for Virtual Enrollments

Online learning offers the potential to bring high-quality learning opportunities to students throughout the state; but to date, this potential is not being fully realized in many Michigan schools.

Michigan's K-12 Effectiveness Report, released in March 2014, helps MVU's leadership team to better understand seven important aspects related to the current use of virtual learning options for K-12 students in Michigan.

1. Based on the enrollment numbers from the effectiveness report, there is more online learning in the state than was expected. MVU's knowledge of the market indicates that many of these enrollments are likely low-priced, teacher-less online software programs rather than online courses that include an embedded instructor.
2. Despite the larger than expected enrollment numbers, many schools using online options are not doing so successfully. There remains a need — possibly a growing need — to provide schools with training and guidance for successfully integrating online learning into schools.
3. Approximately 90% of virtual learning enrollments in Michigan are coming from students in grades 9-12.
4. The data suggest that students with lower academic success in traditional classroom environments are more often directed to virtual learning options, and these enrollments tend to be concentrated in the core content areas.
5. Students taking one or two virtual courses to supplement their schedules were more successful than students taking three or more virtual enrollments to supplement their traditional coursework.
6. The concept of allowing high achieving students to use online learning options as a vehicle to go farther faster does not appear to be a strategy for most schools in Michigan and represents a possible growth area for online learning.
7. Michigan's policies that permit statewide choice at the course level will likely not be fully utilized until a majority of parents and students are aware of this opportunity.

Legislation – Section 98

The state's political leadership has supported the expansion of online learning and *MVU* since 1998. For example, in 2013, the Michigan Legislature asked *MVU* to take on a larger role in supporting and accelerating innovation in education and providing expanded leadership in the area of digital learning. Through *MVLRI*, *MVU* engages in active research in new learning models, policy analysis and development of web-based support platforms such as Michigan's Online Course Catalog (<http://www.micourses.org>) and the Research Clearinghouse for K-12 Blended & Online Learning (<http://k12onlineresearch.org>).

Assets and Challenges

MVU has developed significant expertise and capacity in operating one of the nation's largest statewide virtual schools, the *MVS*. In addition, the creation of *MVLRI* has expanded the capacity to provide policy makers and K-12 practitioners with current research on many aspects of online learning trends and best practices in Michigan and beyond. An understanding of core assets and challenges identified through strategic planning is critical to future decisions.

Core Assets

- A technical infrastructure that is scalable, secure and always available.
- Fifteen-year history of accepting new challenges and projects from educational stakeholders.
- High satisfaction for customer service.
- Generally viewed as a national leader in the online learning space.
- High level of fiscal responsibility.
- The scope of *MVLRI* extends beyond *MVU* products and services making it relevant in a wide range of areas.
- Motivated and skilled staff.
- Knowledge and experience with blended learning.
- High-quality courses.
- Diverse relationships with state and national organizations and leaders.
- Active customer base of over 500 Michigan schools.

Challenges

- Staying relatively small and nimble while completing the growing workload to support *MVU*'s strategic objectives.
- Difficulty in securing adequate resources and applying them to emerging trends in learning.
- Stability and predictability of revenue, especially annual appropriation support.
- Rapid and continuous changes in the technology environment.
- Finding time for proactive work while addressing emerging and persistent educational issues.
- Keeping all products and services up to date and diverse enough to meet the needs of all customers.
- Lack of a formal organizational succession plan especially for senior level managers.
- Continued resistance to look outside of traditional school for learning solutions.

Action Development Planning

The Strategic Planning Action Development teams were formed after the Steering Committee drafted the first set of Vision, Mission, Values, Roles and Goals. Five teams began work in January 2014 and reported their conclusions to the Steering Committee in March 2014. The Steering Committee, including the external members, reviewed

the plans and forwarded their recommendations to *MVU* management for the development of a set of recommendations presented to the *MVU* Board in April 2014. The following Framework for the Future will help guide the organization through the next three years.

MVU Strategy Map

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MVU VISION	MISSION	VALUES	ROLES
(Desired State) Michigan's digital learning leader advancing personalized education for all learners.	(What We Do) Advancing K-12 education through digital learning, research, innovation, policy and partnerships.	(What We Believe) Put people first — Personalized learning, diversity of thought, partnerships in the educational community, investment in staff. Commit to excellence — Quality products and services, responsiveness and timeliness, pride in our work. Act with integrity — How we act is as important as what we do, good stewards of resources, trust is earned. Embrace innovation — Advance the art of learning, impact educational practice and policy. Serve with passion — We are an extremely passionate group of professionals focused on improving education and career readiness. Succeed through teamwork — Nothing great can be achieved individually. We appreciate the diversity that various individuals bring to our work and interactions and believe in collaborating with the best to achieve success.	(How We Work) Leadership — Demonstrate expertise in online and blended learning through success. Innovation & Research — Leverage our capacity to develop, study and energize the adoption of new educational delivery models. Quality Services — Improve continuously in what we do through attention to feedback. Capacity Builder — Elevate ourselves and the K-12 community to support digital learning environments.



GOALS AND ACTION STRATEGIES

Goal 1: *Market Awareness*

MVU will increase awareness of its products and services and their value.

Action Strategy

MVU will expand understanding of its role and products and services among all stakeholders with special emphasis on parents and students that have new opportunities through state supported access to online learning options.

Goal 2: *Capacity Building*

MVU will grow its professional competencies as well as those of Michigan school districts and professional organizations.

Action Strategy

In order to meet increasing demands from customers and other stakeholders, MVU will improve and expand staff capacity through targeted professional development and impactful research aimed at helping the K-12 community improve student achievement and teacher understanding and use of online learning.

Goal 3: *Management of Outcomes*

MVU will improve outcomes from the use of its products and services.

Action Strategy

MVU will create new or improve existing quality assurance processes to assess the effectiveness of MVU products and services that will result in improved customer satisfaction based on a high level of student achievement, teacher development and expansion of online and blended learning.

Goal 4: *Financial Sustainability*

MVU will implement strategies to promote financial sustainability.

Action Strategy

MVU will conduct ongoing cost analysis of major work groups in order to identify potential cost reduction strategies as well as those that will increase revenue over time. Over the next three years, MVU will decrease the costs to deliver products and services and continue to seek legislative support to fund ongoing and new or expanded programs.

Goal 5: *Data Driven Decision Making*

MVU will collect and use data in decision making throughout the organization.

Action Strategy

The use of a variety of data is valuable to all levels of an effective organization. MVU will develop a systematic interrelated system to gather, store and distribute data throughout the company in such a way that all staff will have easy access to data to enhance performance and decision making.



Quality Learning

- Implement engaging, relevant & effective delivery models
- Ensure student & parent wrap-around support services
- Develop & use generally accepted quality standards
- Deliver instruction using quality digital content
- Enable self-directed learning environments
- Utilize formal & informal learning networks
- Provide real-time assessment data
- Use personalized learning plans



Culture of Innovation

- Conduct research
- Pilot new delivery models
- Create accountability systems
- Develop local community support
- Build general awareness & acceptance
- Share content assets & best practices
- Establish effective state & local policies
- Foster any time, any place and any pace learning options



Technology

- Provide end-user support
- Enable access to high-speed connectivity
- Ensure a reliable technical infrastructure
- Provide students with access to modern devices
- Deploy user-friendly learning management systems

**COLLEGE AND CAREER
READY STUDENTS**

Figure 1



Moving Online & Blended Learning

Figure 1 is a graphical representation of a “systems approach” to illustrate the key elements that need to be in place in five core areas if Michigan is to successfully grow a vibrant system of online and blended learning. No single organization will address all the moving parts of the system and a variety of public and private entities will play important roles to advance the system.



Human Capital

- Prepare next generation educators
- Deliver ongoing professional development
- Increase educators' content development capacity
- Collaborate with multiple stakeholders to deliver services
- Establish professional credentials for online & blended teaching

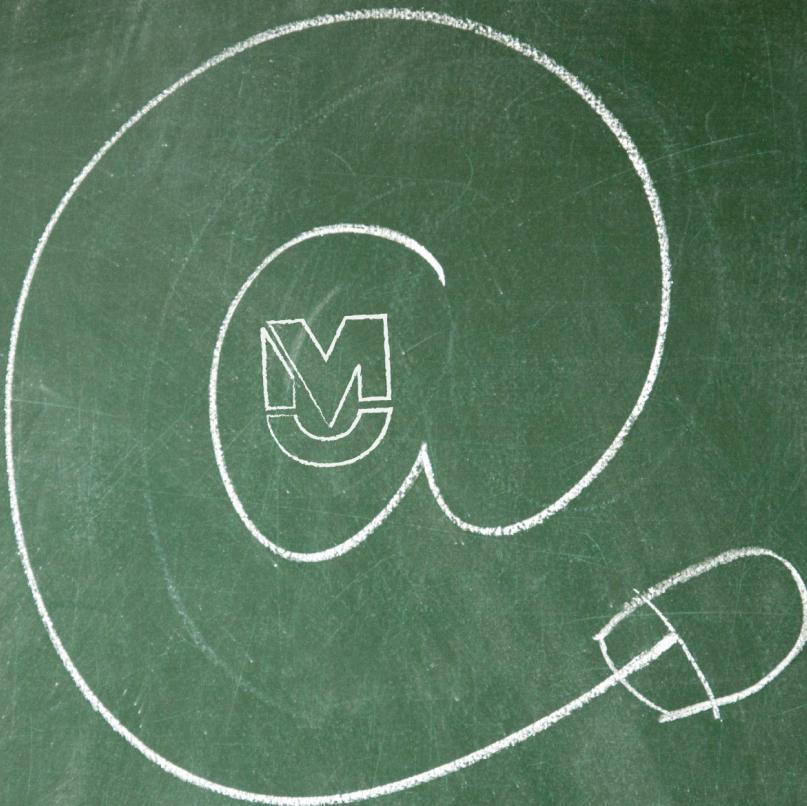


Sustainability

- Promote consumer quality awareness
- Adopt financially-sustainable delivery models
- Use effective evaluation & accreditation systems
- Incorporate stakeholder feedback for continuous improvement
- Ensure adequate public funding for online & blended learning models
- Build districts' capacity to support online & blended learning solutions

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Conclusion

Understanding the complexity of teaching in online and blended learning environments is in its infancy. Despite more than a decade of work to expand online learning, only a small fraction of learners have actively participated in these new delivery models. *MVU* is positioned to continue supporting the K-12 community with courses, resources and services that will help support local districts as they broaden student opportunities. Through *MVLR*/ research, new understandings of effective delivery models will emerge, and *MVU* will be available to help districts adapt to these opportunities.

The recommendations from this strategic plan refine the general direction of the company rather than set a radical new path. The planning process culminated in a new mission, vision and set of core values; and better defined the roles *MVU* will play in moving online and blended learning forward. The new challenges for *MVU* are established in the context of volatility in the market place and in funding. The *MVU* Board will approve operational activities defined annually during budgeting and metric development allowing priorities to form based on an analysis of emerging trends and environmental factors.

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