

**2011 Report on Act 153. Section 6
An Act Relating to Voluntary School District
Merger, Virtual Merger, Supervisory Union
Duties: Tuition Vouchers; Study**

**Report to the House Committees on Education and Ways & Means
and Senate Committees on Education and Finance**

January 15, 2011

Submitted by:



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Executive Summary

Memorandum

To: Armando Vilaseca, Commissioner of Education and Bill Talbott, Chief Financial Officer, Vermont Department of Education

From: Vicki Hornus, State Liaison, Sarah Guckenbug, State Researcher, & Susan Hayes, Researcher, Regional Educational Laboratory Northeast and Islands (REL-NEI)

Date: January 6, 2010

Re: Executive Summary for Response to Request for Research on Tuition Voucher Programs

The Regional Educational Laboratory Northeast and Islands (REL-NEI) received a request from the Vermont Commissioner of Education, Armando Vilaseca, to identify and summarize research on the impact of tuition vouchers. REL-NEI researchers compiled publicly available resources to assist the Vermont Department of Education in answering their research questions.

Guide to this Document

The response to this request was prepared in three separate memos, each on a different topic related to research on tuition vouchers and open enrollment. A summary of the findings is presented here in the executive summary. Each complete response memo follows the executive summary with more detail and a complete list of references used for each memo.

Description of Request

The Vermont Commissioner of Education requested that the REL-NEI compile the impact of state wide tuition voucher programs in the following three areas, each summarized and presented in separate draft memos to the VT DOE:

1. Educational outcomes for students (*memo delivered on September 15, 2010*)
2. Community characteristics (*memo delivered on October 15, 2010*)
3. Fiscal impacts (*memo delivered on November 15, 2010*)

Research Questions

1. What do publically available research or policy brief documents conclude about the impact of state wide tuition vouchers on educational outcomes, including student achievement and special education services?
2. What do publically available research or policy brief documents conclude about the impact of state wide tuition vouchers on community characteristics, including income levels served, community involvement, social and economic stratification, transportation, and parental satisfaction?
3. What do publically available research or policy brief documents conclude about the impact of state wide tuition vouchers on fiscal issues such as education fund, general fund, property tax rates, school budgets, property values, and transportation?

Summary of Findings

This document summarizes the findings from the three memos delivered to the VT DOE. In each memo, the identified research on tuition vouchers and open enrollment programs was organized into two main sections:

1. Tuition voucher programs
2. Interdistrict open-enrollment programs

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When information was available from the Title I school choice program, this was included in the findings included in the memos, but not included in this executive summary. For information on Title I school choice see the memos on the impact of student achievement and community impacts. Below is a summary of the major findings in each of the three memos delivered to the Vermont Department of Education, beginning with a list of definitions of school choice.

Research Question #1: Student Achievement

Research on tuition voucher programs had varying conclusions about the impact on student achievement. Studies from programs in Washington, D.C., Florida, Cleveland, Ohio, and Milwaukee, Wisconsin are summarized below in Table 1.

Tuition Voucher Programs and Student Achievement

Overall, there is little evidence of the impact of tuition voucher programs on student achievement.

Table 1. Summary of Tuition Voucher Program Outcomes

State	Summary of Program Outcomes on Student Achievement
DC	<ul style="list-style-type: none"> No conclusive evidence that the voucher program affected student achievement outcomes (Wolf et al, 2010). There is evidence that the program increased graduation rates (Wolf et al, 2010).
Florida	<ul style="list-style-type: none"> There is some evidence that schools with failing grades improved their performance to avoid becoming eligible for the voucher program (Molnar, 2001). However, a re-analysis of the data showed some methodological issues and also suggested that the schools with failing grades targeted the writing portion of the state test to increase scores and avoid the possibility of vouchers (Molnar, 2001).
Ohio (Cleveland Scholarship and Tutoring Program)	<ul style="list-style-type: none"> The first year of evaluation data reported that students in the voucher program did not achieve higher scores in reading, language, mathematics, science and social studies tests compared to students who remained in public schools (Molnar, 1999). The second year data reported that students did achieve higher scores in science and language compared to students in public school. However, after classroom variables were controlled for, this only remained true for language (Molnar, 1999).
Wisconsin (Milwaukee Parent Choice Program)	<ul style="list-style-type: none"> There have been a number of evaluations done on the Milwaukee Parent Choice Program. A recent 2010 What Works Clearing House review of the "Milwaukee Parental Choice Program Longitudinal Educational Growth Study Third Year Report" found that no significant differences were found between student achievement outcomes in math and science for students who used vouchers to attend private school compared to their public school counterparts (WWW, 2010). Other evaluations did find improvements in voucher student performance in reading (Green, et al) and math (Green, et al, and Rouse) in the 3rd and 4th year of the program.

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Open Enrollment and Student Achievement

- According to the Education Commission of the States, a majority of states (46) have established some type of open enrollment policy (2008).
- There is great variety in how states choose to implement their open enrollment policy, for example: require or make voluntary district participation, allow transfers within districts or across districts, and address issues such as funding, transportation, special education, racial balance in districts, criteria for participating students, and eligibility for high school athletics.
- Little research has been done on how open enrollment policies have impacted student achievement. In fact, according to a 2009 report by the Center for Evaluation and Education Policy, “open enrollment has yet to be rigorously evaluated” and “has received limited attention by educational researchers (p. 1-2, Herrmann, A., et al).”
- One study identified was from the National Education Longitudinal Study of 1988, that compared the academic performance of students who attended a public high school of their choice with a similar group of students who attended their assigned, neighborhood school. The results indicated that choice did not have an effect on student achievement nor was it related to whether a student pursued an academically rigorous course of study (p. 18, Jimerson, 2002).

Research Question #2: Community Impacts

The research on community characteristics for voucher programs and open enrollment focused mainly on transportation, racial and socioeconomic balance, and parental satisfaction.

Tuition Voucher Programs and Community Impacts

Information on how tuition programs deal with community impacts such as how to transport students to schools is described in table 2 below. Transportation is provided in three voucher programs (with some parameters), and in others it is either the districts choice or unknown.

Other research on community issues that relate to tuition voucher programs is the impact on social and economic stratification. In voucher programs, students are more likely to be minority students compared with the student public school population (Table 3).

Research on parental satisfaction with tuition voucher programs is also summarized below.

Table 2. Summary of Incoming Guidelines and Transportation

State	Transportation
Colorado	Unknown
DC	Voucher pays the tuition, fees and transportation expenses.
Florida	School district pays if students enrolling in higher-performing public schools. Parents Pay if enrolling child outside district of in private school.
Maine	District choice
Ohio	District provides
Wisconsin	Provided by public school district if a student lives more than 2 miles away. A fee may be charged if the private school provides transportation. (Milwaukee)
Vermont	District choice

Table 3. Summary of Race/Ethnicity Research

State	Summary of Race/Ethnicity Research
DC	<ul style="list-style-type: none"> • “Greene and Marcus Winters (2005b) of the University of Arkansas analyzed segregation in the new voucher program in Washington DC. They find that in

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	public schools the percentage of students who are white differs from the percent white of the metro area by an average of 40 points, compared to 34 points for private schools participating in the voucher program” (Green and Forster, 2008, p.6)
Ohio (Cleveland Scholarship and Tutoring Program)	<ul style="list-style-type: none"> • “Students who participate in the program are more likely to be Caucasian, Hispanic or multiracial, whereas public school students are more likely to be African-American. Further, scholarship students tend to come from families that are somewhat less likely to be eligible for free or reduced-price lunch than public school students” (ESC, 2005).
Wisconsin (Milwaukee Parent Choice Program)	<ul style="list-style-type: none"> • “Black and Hispanic pupils of very low income were the predominant participants” (ESC, 2005).

Sources: ECS, 2005; Greene and Forster, 2008

Parent Satisfaction

Overall research has found parents to be more satisfied with a voucher choice school, for example:

- Research on the Milwaukee Parent Choice Program found that “satisfaction and support levels of parents participating in the program were consistently high, with levels of parental involvement increasing over time” (ESC, 2005).
- In Cleveland, Ohio parents of voucher students reported a higher degree of satisfaction with the following aspects of their child’s school than parents of public school students: academics, safety, school discipline, class size, school facility, the teaching of moral values, and student respect for teachers (WestEd, 1999).
- A recent evaluation of the DC opportunity Scholarship Program found that “parents were more satisfied and felt school was safer if their child was offered or used an OSP scholarship” (Wolf, et al, 2010, p. xvi).

Open Enrollment and Community Impacts

There is a great degree of variation in state policies in terms of whether they require or make district participation voluntary, allow transfers within districts or across districts, and address issues such as funding, transportation, special education, racial balance in districts, criteria for participating students, and eligibility for high school athletics (p. 2, Herrmann, A., et al, 2009; p. 2, Missouri State Legislature, Joint Committee on Education, 2009).

Transportation

- Most states with open enrollment policies do not require the sending or receiving district to provide transportation (Jimerson, 2002).
- Some research shows that transportation is a barrier to school choice. For example, Mickelson, Bottia, and Southworth (2008) cite the lack transportation as one of the practical problems with open enrollment and note that such issues “often render open enrollment plans more symbolic than genuine” (p.12).

Racial and Socioeconomic Balance

- One challenge to ensuring racial and socioeconomic balance in open enrollment programs is voluntary participation by districts. Dillon (2008) examined the impact of the Massachusetts interdistrict school choice program on low income students and argues that because it allows districts to decide whether to accept transferring students, the program “offers little potential to substantially help low-income students”.

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- Open enrollment programs are generally utilized more by white students than by their minority peers and have enabled students to transfer out of urban (or suburban in the case of Minnesota), diverse districts to districts with higher average household incomes and lower minority enrollments.

Parent Satisfaction

- Studies in both Minnesota and Wisconsin have shown that parents are generally satisfied with open enrollment programs (State of Wisconsin Legislative Audit Bureau, 2002; Funkhouser, 1994).
- Data from an evaluation of Minnesota's open enrollment program cited two primary reasons families use open enrollment: proximity for elementary parents and academics for secondary parents (Funkhouser, 1994).

Research Question #3: Fiscal Impacts

The research on the fiscal impact for voucher programs and open enrollment focused mainly on per-pupil expenditures (as well as student transportation costs), administrative costs for implementing a program, and impacts on tax payers and property values. Open enrollment research also focuses on the fiscal impact of special education services.

Tuition Voucher Programs and Fiscal Impacts

- Income guidelines and voucher amounts vary in states and regions with tuition voucher programs (ECS, 2005; ECS, 2004; WestEd, 1999)
- Voucher programs have been shown to save schools and states money over time, however the research on this is limited (Hill, P. 2003; Aud, S., 2007).
- Vouchers and school choice have been shown to be connected to property taxes. One study found that a voucher program would decrease home values in neighborhoods with quality schools and increase housing values in neighborhoods with poor schools. Homeowners voted to protect property values (Brunner, et al, 2003, p.254).
- Vouchers have been shown to decrease taxes, but in the case of the Milwaukee program this was true across the state but not true for residents of Milwaukee (Costrell, 2009).

Open Enrollment and Fiscal Impacts

- States and districts must acknowledge that there may be differences between the per-pupil costs of sending and receiving districts, and create policies that address this (Missouri State Legislature, Joint Committee on Education, 2009).
- Transportation costs are typically the responsibility of the family; however, some states make exceptions for low-income students and/or students receiving special education services (ECS, 2008).
- Some states have attempted to offset any financial hardship receiving districts might experience as a result of accepting transfer students with disabilities. Some states require sending districts to pay the cost of special education services while others allow sending districts to deny students with disabilities to transfer if the cost of services will place financial hardship on the district sending the students (Missouri State Legislature, Joint Committee on Education, 2009; Jimerson, 1998).

Methods

Following an established REL-NEI research protocol, we conducted a search for research reports as well as descriptive and policy-oriented briefs and articles in this area. The sources included federally funded organizations, additional research institutions, several educational research databases, and a general

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Internet search using Google and other search engines. We also searched for appropriate organizations that may act as resources on this issue. We have not done an evaluation of these organizations or the resources themselves, but offer these resources to the requestor for their information only.

Criteria for inclusion

When REL-NEI researchers review resources, they consider, among other things, four factors:

1. **Date of the publication:** The most current information is included with the exception of nationally known seminal resources
2. **Source and funder of the report/study/brief/article:** Priority is given to IES, nationally funded, and certain other vetted sources known for strict attention to research protocols);
3. **Methodology:** i.e. Random control trial studies, surveys, self-assessments, literature reviews, policy briefs, etc. Priority for inclusion is given generally to random control trial study findings; however, the reader should note at least the following factors when basing decisions on these resources: Numbers of participants (just a few? Thousands?); Selection (did the participants volunteer in the study, or were they chosen?); Representation (were findings generalized from a homogeneous or a diverse pool of participants? Was the study sample representative of the population as a whole?
4. **Existing knowledge base:** Although we strive to include vetted resources, there are times when the research base is slim or non-existent. In these cases we have included the best resources we could find, which may include newspaper articles, interviews with content specialists, organization websites, etc.

Limitations

This summary includes publicly available documents with an emphasis on research summaries, syntheses, and meta-analyses, as well as studies that discuss school choice, tuition voucher programs, and open enrollment programs. It was prepared in a limited amount of time in a specific time period in response to a request, and should not be considered exhaustive.

Memorandum

To: Armando Vilaseca, Commissioner of Education and Bill Talbott, Chief Financial Officer, Vermont Department of Education

From: Vicki Hornus, State Liaison, Sarah Guckenbug, State Researcher, & Susan Hayes, Researcher, Regional Educational Laboratory Northeast and Islands (REL-NEI)

Date: September 15, 2010

Re: Response to Request for Research on Tuition Voucher Programs and Student Achievement Outcomes

The Regional Educational Laboratory Northeast and Islands (REL-NEI) received a request from the Vermont Commissioner of Education, Armando Vilaseca, to identify and summarize research on the impact of tuition vouchers. REL-NEI researchers compiled publicly available resources to assist the Vermont Department of Education in answering their research questions.

Description of Request

The Vermont Commissioner of Education requested that the REL NEI compile the impact of state wide tuition voucher programs in the following three areas, each summarized and presented in separate memos to the VT DOE:

4. Educational outcomes for students (*the focus of this memo*)
5. Community characteristics
6. Fiscal impacts

Research Question and Approach

4. What do publically available research or policy brief documents conclude about the impact of state wide tuition vouchers on educational outcomes, including student achievement and special education services?

According to a report from the Education Commission for the States, most states have some kind of school choice or open enrollment policy (ECS, *Open Enrollment: 50 State Report*). To identify publically available research, policy briefs, or other reports on these state policies, REI-NEI researchers identified and narrowed down the relevant resources including statewide programs on open enrollment, school vouchers, and school choice projects.

To clarify the various types of school choice, the memo presents definitions for each type of school choice, a brief overview of educational outcomes for school choice in general including tuition vouchers, Title I school choice, and then specific outcome data on open enrollment programs (interdistrict). The reason for this approach is that open enrollment programs seemed the most closely aligned to Vermont's current school choice program and interest for the future. Charter school outcomes were not included in this memo because charter schools are not an option for students in Vermont.

The first level search was limited to statewide projects only. In some cases reports that include student achievement outcomes on city and district open enrollment, voucher, or school choice programs were also included to expand the number of resources reviewed. Although researchers searched for outcomes related to special education students and school choice, limited information was found.

Introduction

According to the National Center for Education Statistics (NCES), the percent of students attending “chosen” (a public school other than their assigned public school) public school increased from 11% in 1993 to 16% in 2007 (Planty, et al, 2009). There are different types and definitions of school choice, see definitions below. The findings section of this memo concentrates on educational outcomes for voucher programs, Title I school choice, and open enrollment programs.

Definitions of School Choice

- *Magnet schools:* These are schools specializing in a certain curricular area like science or the performing arts. Typically, such schools draw students from various attendance areas within a district, as well as from other districts.
- *Intradistrict Open enrollment:* This option allows parents to send their children to a public school of their choice within their school district.
- *Interdistrict Open Enrollment:* This option allows parents to send their children to a public school of their choice in surrounding school districts.
- *Title I school choice:* Under NCLB, parents have the opportunity to transfer their child to another school in the district or enroll their child in supplemental educational services if their child’s Title I school is identified for improvement, corrective action, or restructuring because the school has not made adequate yearly progress for two or more years.
- *Charter schools:* Founded by parents, educators, community groups or private organizations, charter schools are essentially deregulated public schools. They are funded with public taxpayer money, and exchange a decrease in regulations and requirements for an increase in accountability.
- *Vouchers:* Vouchers are payments made to a parent or an institution on a parent’s behalf, to be used to pay for a child’s education expenses, usually at a private or parochial school. Though some voucher programs are financed through private sources, others use public tax dollars to fund tuition at private institutions.
- *Tax credits and deductions:* Some tax credits and deductions allow parents to redirect their tax dollars to offset some of the expenses incurred by sending their child to a private school. Other tax credits and deductions allow individuals and/or corporations to redirect their tax dollars to scholarship granting organizations, which, in turn, redistribute these contributions to students in the form of private school scholarships.
- *Home schools:* Home schooling is an alternative form of education in which parents or guardians bypass the public school system and teach their children at home.
- *Dual/concurrent enrollment:* Dual/concurrent enrollment allows secondary school students to enroll in postsecondary courses and apply course credit at the secondary school, a postsecondary institution or both.

Source: adapted from ECS, <http://www.ecs.org/html/issue.asp?issueid=22&subissueid=0> and U.S. Department of Education, 2007

Summary of Findings: Vouchers, Title I School Choice, and Open Enrollment

Vouchers

The following states and jurisdictions have had some version of a public voucher program in place: Colorado, DC, Florida, Maine, Ohio, Wisconsin, and Vermont (ECS, 2005). Additional states have some form of tax credit or tax deduction, or private voucher program, but are not included in this summary. Each program operated differently, and some have evaluation and research studies documenting student outcomes. Table 1 summarizes the characteristics of each program.

Table 1. Summary of State Program Characteristics

State	Focus on students from low income families enrolled in low performing schools	Targets students in low performing schools	Low income families in one struggling school district	Target students in a community without a school	Include religious schools as an option to attend	Include private schools as an option to attend
Colorado	X					X
DC	X				X	X
Florida		X			X	X
Maine				X		X
Ohio		X	X (Cleveland)		X	X
Wisconsin			X (Milwaukee)		X	X
Vermont				X		X

Sources: ECS, 2005; WestEd, 1999; Friedman Foundation, 2005

The research on school voucher programs has reached different conclusions about their impact on student achievement outcomes. Table 2 summarizes the overall findings from the publically available documents that included data on student outcomes and were reviewed for this memo (see Appendix A for a more detailed description of the programs and educational outcomes). The program in Washington, DC did not have any conclusive evidence that the voucher program affected student outcomes; however graduation rate was improved (Wolf et al, 2010). The documents reviewed on the Florida program examined overall school improvement for schools that were on the line of becoming eligible for vouchers, although follow up evaluations did point out some methodological issues with the original evaluation (Molnar, 2001). The program in Cleveland, Ohio saw improvements in the second year of the program, especially in language, but not in other subjects (Molnar, 1999). The Milwaukee program has a number of evaluations conducted, all with varying outcomes for student achievement. The most recent review by the What Works Clearing House of a longitudinal study found that there were no significant outcomes in student achievement for voucher programs (WWC, 2010).

In a review of school choice programs by Green and Forster (2008), the conclusion is different. The authors looked at eight randomized trials done on voucher programs (privately and publically funded) and found that “in seven of the eight studies, the benefits for voucher recipients are statistically significant” (Green and Forster, 2008, p.1). They go on to point out that “It is true that the studies differ on whether they find benefits for all students or only for participations who are African-American and on whether the academic gains occur in both reading and math or only in math” (Green and Forster, 2008, p.1).

Table 2. Summary of Program Outcomes

State	Summary of Program Outcomes on Student Achievement
DC	<ul style="list-style-type: none"> No conclusive evidence that the voucher program affected student achievement outcomes (Wolf et al, 2010). There is evidence that the program increased graduation rates (Wolf et al, 2010).
Florida	<ul style="list-style-type: none"> There is some evidence that schools with failing grades improved their performance to avoid becoming eligible for the voucher program (Molnar, 2001). However, a re-analysis of the data showed some methodological issues and

	also suggested that the schools with failing grades targeted the writing portion of the state test to increase scores and avoid the possibility of vouchers (Molnar, 2001).
Ohio (Cleveland Scholarship and Tutoring Program)	<ul style="list-style-type: none"> • The first year of evaluation data reported that students in the voucher program did not achieve higher scores in reading, language, mathematics, science and social studies tests compared to students who remained in public schools (Molnar, 1999). • The second year data reported that students did achieve higher scores in science and language compared to students in public school. However, after classroom variables were controlled for, this only remained true for language (Molnar, 1999).
Wisconsin (Milwaukee Parent Choice Program)	<ul style="list-style-type: none"> • There have been a number of evaluations done on the Milwaukee Parent Choice Program. A recent 2010 What Works Clearing House review of the “Milwaukee Parental Choice Program Longitudinal Educational Growth Study Third Year Report” found that no significant differences were found between student achievement outcomes in math and science for students who used vouchers to attend private school compared to their public school counterparts (WWW, 2010). • Other evaluations did find improvements in voucher student performance in reading (Green, et al) and math (Green, et al, and Rouse) in the 3rd and 4th year of the program.

Title I School Choice

Under NCLB, parents are provided options if their child attends a Title I school that is “identified for improvement, corrective action, or restructuring because the schools have not made adequate yearly progress (AYP) toward meeting state standards for two or more years. The first of these options is the opportunity for parents to transfer their child to another school in the district that has not been identified. The second option is for parents to enroll their child in supplemental education services...offered by a state approved provider and are in addition to instruction provided during the school day. (p. xi, U.S. Department of Education, 2007).”

The U.S. Department of Education (2007) report examined these two options in relationship to impacts on student achievement. “Data from nine large, urban school districts were used for this study. In 2004-2005 school year, the average participation rates across these districts were 0.5 percent for Title I school choice and 12 percent for supplemental education services, lower than the national averages of 1 and 19 percent, respectively (p. xi, U.S. Department of Education, 2007).”

Only six of the districts were included in the analysis of school choice impact on student achievement because three districts did not have enough student participation. “In five of the six districts, the analyses of student achievement gains associated with participation in Title I school choice produced no statistically significant results, positive or negative. The only result in the analysis that achieved statistical significance was in one district in which students using school choice saw declines in achievement growth in math, which were driven by the poor results for students who remained in the new school for two or more years after the transfer (p. 24, U.S. Department of Education, 2007).”

Another study of student achievement impacts on school choice in Idaho using a proxy for the NCLB transfer option concluded that, “even if students make these transfers, the evidence provided here on Idaho suggests that students may not benefit in their achievement growth if they make a choice. Our

modeling suggests that students who move from a low-performing school to a higher performing school do not benefit in their mathematics achievement growth compared with students who remain in schools that are low-performing (i.e., do not make AYP over time). (p.028, Nicotera, N. et al, 2006)”

Open Enrollment

Open enrollment policies are generally defined as policies that give students “the ability to transfer from one public school to another public school (p. 1, Herrmann, A. et al, 2009).” According to the Education Commission of the States, a majority of states (46) have established some type of open enrollment policy (2008). There is a great degree of variation in state policies in terms of whether they require or make voluntary district participation, allow transfers within districts or across districts, and address issues such as funding, transportation, special education, racial balance in districts, criteria for participating students, and eligibility for high school athletics (p. 2, Herrmann, A., et al, 2009; p. 2, Missouri State Legislature, Joint Committee on Education, 2009).

Despite the pervasiveness of state open enrollment policies, little research exists on their impact on student achievement, the focus of this memo. In fact, according to a 2009 report by the Center for Evaluation and Education Policy, “open enrollment has yet to be rigorously evaluated” and “has received limited attention by educational researchers (p. 1-2, Herrmann, A., et al).” This assessment is affirmed in a policy brief on school choice produced by the Education and the Public Interest Center and Education Policy Research Center in which the authors note that there is “insufficient data to generalize” the effects of open enrollment programs on ability and achievement (p. 18, Mickelson, R., et al, 2008). There are various explanations for the paucity of research on the topic including the wide variation in state approaches that, according to the Missouri Joint Committee on Education, “make comparative, comprehensive research challenging” (p. 2, 2009).

One exception is a study, based on data from the National Education Longitudinal Study of 1988, that compared the academic performance of students who attended a public high school of their choice with a similar group of students who attended their assigned, neighborhood school. The results indicated that choice did not have an effect on student achievement nor was it related to whether a student pursued an academically rigorous course of study (p. 18, Jimerson, 2002).

While investigations of the effects of open enrollment policies on student *outcomes* are scarce, researchers have explored the impact of open enrollment policies on educational *inputs* such as programmatic offerings. The state of Wisconsin, which has allowed students to attend a public school outside their assigned district since 1998-99, commissioned an evaluation of their open enrollment program in 2002. The evaluation revealed that, “few districts report developing new or innovative programs” in response to open enrollment perhaps “because most school districts gained or lost 20 students or less (p. 2, State of Wisconsin Legislative Audit Bureau, 2002).” In 2002, approximately 1 percent of Wisconsin students had transferred to another district under the open enrollment program (p. 1, Public Policy Forum, 2002).

In addition to this formal evaluation of the program, the Public Policy Forum, a research organization based in Milwaukee, Wisconsin, conducted its own survey of district administrators to gather their perceptions of the program and its impact. Only eight percent of respondents believed open enrollment would improve the quality of education in their district, a drop of 15 percentage points since the first time the question was asked in 1998.

While Wisconsin’s open enrollment program did not seem to have a sizeable impact on district programming statewide, this was not the case for a handful of districts that lost large numbers of students due to the policy. These “losing districts” reported making some programmatic or curricular changes in attempt to recruit and retain students. A sample of such changes include implementing an on-line

curriculum to increase the educational offerings available to students, increasing the number of advanced placement courses, expanding a talented and gifted program, and adding full-day kindergarten.

Similar findings emerged from an investigation of Minnesota's open enrollment program. Researchers found that overall, open enrollment had a minimal impact on districts and had not been the primary cause for changes in academic and student support services. Yet the program did have significant effects on districts that lost sizeable numbers of students. The authors note that "administrators in losing...districts (were) much more likely to have taken steps specifically aimed at drawing students into a district or discouraging them from leaving than those in gaining districts (p. viii, Funkhouser, J. et al, 1994). These steps included "expanding course offerings, making special transportation arrangements, making physical plant improvements, and increasing extracurricular offerings (Ibid)." Conversely, some losing districts for whom the loss of state revenue from students transferring out of the district proved particularly damaging were forced to lay off teachers and other staff and to cancel academic courses, extracurricular activities, and support services. Ultimately, due to these mixed findings, the authors conclude that "the claim that interdistrict choice options like open enrollment stimulate schools and school districts to change or improve their programming to meet the demands of consumers remains in question (Ibid)."

Another study of Minnesota's open enrollment program conducted by Lorna Jimerson confirmed that while it did not have a measurable impact statewide on educational programs, it greatly affected a small number of districts. In interviews, officials from high-loss districts (defined as those that lost more than 10 percent of their student population as a result of transfers) reported "increasing class sizes, elimination of specific programs (like elementary science, advanced high school math and science classes), and cuts in extra-curricular offerings (p. 4, Jimerson, 1998)." These districts also reported reducing the number of special education aides.

Scholars agree that further research on open enrollment is needed before firm conclusions about its impact, particularly on student achievement, can be reached. As the authors of the 2009 report on open enrollment by the Center for Evaluation and Education Policy state, "a systematic approach should be taken to the study of the advantages and disadvantages of open enrollment policies (p. 7, Herrmann, A., et al)."

Next Steps

The current memo summarizes the impact of vouchers, Title I school choice, and open enrollment on educational outcomes. The focus of the next memo will be on how these programs impact community characteristics such as income levels served, community involvement, social and economic stratification, and transportation. This memo will be delivered on October 15, 2010.

Methods

Following an established REL-NEI research protocol, we conducted a search for research reports as well as descriptive and policy-oriented briefs and articles in this area. The sources included federally funded organizations, additional research institutions, several educational research databases, and a general Internet search using Google and other search engines. We also searched for appropriate organizations that may act as resources on this issue. We have not done an evaluation of these organizations or the resources themselves, but offer these resources to the requestor for their information only.

Criteria for inclusion

When REL-NEI researchers review resources, they consider, among other things, four factors:

5. **Date of the publication:** The most current information is included with the exception of nationally known seminal resources
6. **Source and funder of the report/study/brief/article:** Priority is given to IES, nationally funded, and certain other vetted sources known for strict attention to research protocols);

7. **Methodology:** i.e. Random control trial studies, surveys, self-assessments, literature reviews, policy briefs, etc. Priority for inclusion is given generally to random control trial study findings; however, the reader should note at least the following factors when basing decisions on these resources: Numbers of participants (just a few? Thousands?); Selection (did the participants volunteer in the study, or were they chosen?); Representation (were findings generalized from a homogeneous or a diverse pool of participants? Was the study sample representative of the population as a whole?)
8. **Existing knowledge base:** Although we strive to include vetted resources, there are times when the research base is slim or non-existent. In these cases we have included the best resources we could find, which may include newspaper articles, interviews with content specialists, organization websites, etc.

Limitations

This summary includes publicly available documents with an emphasis on research summaries, syntheses, and meta-analyses, as well as studies that discuss school choice, tuition voucher programs, and open enrollment programs. It was prepared in a limited amount of time in a specific time period in response to a request, and should not be considered exhaustive.

Key words and search strings used in the search

School vouchers OR tuition vouchers OR school choice OR open enrollment AND State OR evaluation OR Study OR effects OR impact

Search databases and websites used in the search

Institute of Education Science Resources (IES): Regional Educational Laboratory Program (REL); IES Practice Guides; What Works Clearinghouse (WWC); Doing What Works (DWW); Institute of Education Sciences (IES); National Center for Education Statistics (NCES); State Education Reforms (SER), Center on Innovation and Improvement.

Other Federally Funded Resources: Education Commission of the States.

Additional Resources: Education Development Center; WestEd; American Institutes of Research; The Campbell Collaboration; Council of Chief State School Officers (CCSSO); National Association of State Boards of Education (NASBE); National Conference of State Legislatures (NCSL); National Center on School Choice

Search Engines and Databases: ERIC; Google, Google Scholar; General Internet Search.

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Organizations to Consult

- National Center on School Choice, <http://www.vanderbilt.edu/schoolchoice/index.php>
- School Choice Demonstration Project, http://www.uark.edu/ua/der/SCDP/Milwaukee_Research.html
- National Council of State Legislatures, Publically Funded School Voucher Programs, <http://www.ncsl.org/Default.aspx?TabId=12942>

Appendix A

Descriptions of Voucher Programs and Student Achievement Outcomes

DC Opportunity Scholarship Program

Source: Wolf et al 2010

Program summary: “The *District of Columbia School Choice Incentive Act of 2003*, passed by Congress in January 2004, established the first federally funded, private school voucher program in the United States. As part of this legislation, Congress mandated a rigorous evaluation of the impacts of the Program, now called the DC Opportunity Scholarship Program (OSP) (page, xv).”

Methods: The evaluation compares the outcomes of 2,300 eligible applicants randomly assigned to receive an offer (treatment group) or not receive an offer (control group) of an OSP scholarship through a series of lotteries. Although data on most of these outcomes—test scores, high school graduation, perceptions of school safety and satisfaction—were collected annually over four or five years, each year’s estimated impacts are cumulative in that they represent students’ entire educational experience between their application to the Program and the year the data were obtained. Some students offered scholarships never used them, while others used their scholarships to attend a participating private school at some point during the four- to five-year period (page xv).”

Student Achievement Outcomes:

“There is no conclusive evidence that the OSP affected student achievement. On average, after at least four years students who were offered (or used) scholarships had reading and math test scores that were statistically similar to those who were not offered scholarships (figure ES-2). The same pattern of results holds for students who applied from schools in need of improvement (SINI), the group Congress designated as the highest priority for the Program. Although some other subgroups of students appeared to have higher levels of reading achievement if they were offered or used a scholarship, those findings could be due to chance. They should be interpreted with caution since the results were no longer significant after applying a statistical test to account for multiple comparisons of treatment and control group members across the subgroups.

The Program significantly improved students’ chances of graduating from high school. Although students may not have raised their test scores in reading and math as a result of the OSP, they graduated at higher rates. The offer of an OSP scholarship raised students’ probability of completing high school by 12 percentage points overall (figure ES-3). The graduation rate based on parent-provided information was 82 percent for the treatment group compared to 70 percent for the control group. The offer of a scholarship improved the graduation prospects by 13 percentage points for the high priority group of students from schools designated SINI in 2003-05 (79 percent graduation rate for the treatment group versus 66 percent for the control group).” (page xv)

Florida

Source: Molnar, 2001 and Kupermintz, 2001

Program Summary: “Under a program implemented in 1999, public school students in Florida may receive vouchers enabling them to attend private schools if their public school received two successive failing grades from the state. (p. 12, Molnar, 2001)”

Method: Analysis of the school mean scores on the Florida Comprehensive Assessment Tests (FCAT) from 1999 and 2000. Results of the FCAT are compiled and used to give each school a grade from A to F (Kupermintz, 2001). Kupermintz and Green used slightly different data, but Kupermintz cites a statement

by Green that says “the differences is inconsequential and similar conclusions will be reached using either dataset. (p. 3, Kupermintz, 2001)”

Student Achievement Outcomes: Evaluations of the Florida voucher program have been conducted, using the same data, but reaching different conclusions. An evaluation by Green in 2001 stated that the schools that received a failing grade in 1999 improved their test scores the next year to “avoid losing students to vouchers if they failed a second time (p. 13, Molnar, 2001).”

However, researchers reexamined the data and cited methodological issues with the evaluation by Green and a re-analysis of the data by Kupermintz concluded that “failing schools targeted and achieved a minimum “passing” score on the state’s writing test to escape the threat of vouchers (p. 13, Molnar, 2001)”.

Cleveland Scholarship and Tutoring Program (CSTP)

Source: Molnar, 1999

Program Summary: “For families whose income is less than double the Federal poverty level, CSTP provides vouchers of up to 90 percent of a private school’s (including religious schools) tuition, up to a maximum of \$2,250. If a family’s income is more than twice the Federal poverty level, the state pays up to 75 percent of a participating school’s tuition to a maximum of \$1,875. Up to 25 percent of the new scholarships each year may be awarded to children previously enrolled in a private school. Scholarship applicants are selected by lottery with priority going to applicants whose income is less than the Federal poverty level. Second priority goes to families whose income is less than twice the poverty level. Within these guidelines there is no income cap on participation.”

Methods: “To evaluate the Cleveland voucher program, Metcalf’s team compared the test scores of third-grade voucher recipients with those of Cleveland Public School students, controlling for prior test scores and family characteristics. In 1996-97, the Metcalf evaluation examined third-grade performance because that was the lowest grade for which usable test data (from second grade) existed to measure student ability prior to the voucher experiment.”

Student Achievement Outcomes:

- “The first-year official evaluation report found that, after controlling for background characteristics, third-graders participating in the voucher program did not achieve at a higher level (on reading, language, mathematics, science, and social studies tests) than students who remained in the Cleveland Public Schools.”
- “The second-year report (1997-98) found that fourth-grade students in the voucher program achieved significantly better than their public school counterparts in science and language. When classroom variables (e.g., class size, teacher experience, and teacher level of education) are accounted for, the voucher students achieved significantly higher scores only in language.”

The Milwaukee Parent Choice Program (MPCP)

Source: Molnar, 1999 and WWC, September 2010

Program summary: “The MPCP initially allowed up to 1 percent (about 1,000) of low-income Milwaukee Public School students to attend participating private, non-sectarian schools within the city. The program defined “low-income” as below 175% of the official U.S. poverty line. Each child attending a private school in the program receives a voucher worth the per-pupil equalized state aide to the Milwaukee Public Schools, originally set at \$2,446.”

Methods: There have been a number of evaluations of the MPCP program. Molnar, 1999 summarizes each of these evaluations and the limitations of the data. Molnar states that “In considering the research designs and findings of Witte, Greene, Peterson, and Du, and Rouse it is useful to understand the Milwaukee Parental Choice Program’s scope and character. The program has never involved a large number of students and has never reached the total enrollment authorized by law.” For more information on methods, see table below.

Student Achievement Outcomes:

The WWC (2010) review of the “Milwaukee Parental Choice Program Longitudinal Educational Growth Study Third Year Report” concluded that “the authors found no significant differences between math and reading achievement of students who used a voucher to attend private school and comparison students from Milwaukee Public Schools.” The WWC cautions that the findings may not be conclusive because it is not clear from this report if the voucher and comparison group were “initially equivalent in math and reading achievement”.

Molnar, 1999 provides this summary table of the main comparison, findings, and limitations from the three MPCP evaluations.

	Witte	Green, Peterson and Du	Rouse
“Main Comparison”	“Compares voucher students’ achievement with that of a random sample of Milwaukee Public School (MPS) students, controlling for observed individual and family characteristics.”	“Compares voucher students’ achievement with that of unsuccessful applicants who returned to the Milwaukee Public Schools.”	“Compares achievement of successful applicants for vouchers with that of a random sample of Milwaukee Public School students, controlling for an estimate of innate ability and family influences.”
“Reading Findings”	“No significant difference between voucher students’ achievement and that of the MPS comparison group.”	“In their 1997 “main analysis”: 2-3 percentile rank advantage for voucher students in year four. Conventional levels of statistical significance approached only when 3 rd and 4 th years are jointly estimated. When background characteristics are controlled for, voucher students’ advantage in 1 st and 3 rd years approaches significance.”	“Similar to Witte: no statistically significant difference between successful voucher applicants’ achievement and that of the MPS comparison group.”
“Math Findings”	“No significant difference between Choice students and MPS sample.”	“5-11 percentile rank advantage for voucher students over unsuccessful choice applicants in years 3 and 4. Conventional	“Similar to GPD: statistically significant advantage in years 3 and 4 for students selected for Choice schools. Effect size of

		levels of statistical significance achieved in 4 th year and in joint estimate of 3 rd and 4 th years.”	0.08-0.12 per year.”
“Limitations”	<p>“Does not control for unobserved individual differences.</p> <p>Voucher students who remain in program may be a non-random high-scoring group.</p> <p>Does not include school variables (e.g., class size, curricula).”</p>	<p>“Control group of unsuccessful voucher applicants who return to MPS is a small and shrinking sample (26 in year 4).</p> <p>Control group may be a non-random, low-scoring group.</p> <p>Voucher students who remain in program may be a non-random, high-scoring group.</p> <p>Does not include school variables (e.g., class size, curricula) that may explain observed differences.”</p>	<p>“Successful voucher applicants have more educated parents with high expectations: improvement in math scores over time might take place without voucher program.</p> <p>Does not include school variables (e.g., class size, curricula) that may explain observed differences.”</p>

Source: Table 2, Molnar, 1999.

Memorandum

To: Armando Vilaseca, Commissioner of Education and Bill Talbott, Chief Financial Officer, Vermont Department of Education

From: Vicki Hornus, State Liaison, Sarah Guckenbug, State Researcher, & Susan Hayes, Researcher, Regional Educational Laboratory Northeast and Islands (REL-NEI)

Date: October 15, 2010

Re: Response to Request for Research on Tuition Voucher Programs and Community Characteristics

The Regional Educational Laboratory Northeast and Islands (REL-NEI) received a request from the Vermont Commissioner of Education, Armando Vilaseca, to identify and summarize research on the impact of tuition vouchers. REL-NEI researchers compiled publicly available resources to assist the Vermont Department of Education in answering their research questions.

Description of Request

The Vermont Commissioner of Education requested that the REL NEI compile the impact of state wide tuition voucher programs in the following three areas, each summarized and presented in separate memos to the VT DOE:

7. Educational outcomes for students (*memo delivered on September 15, 2010*)
8. Community characteristics (*the focus of this memo*)
9. Fiscal impacts

Research Question and Approach

What do publically available research or policy brief documents conclude about the impact of state wide tuition vouchers on community characteristics, including income levels served, community involvement, social and economic stratification, transportation, and parental satisfaction?

To remain consistent with the first memo on educational outcomes for students, researchers have focused this memo on community characteristics for open enrollment, school vouchers and school choice programs.

Summary of Findings: Vouchers, Title I School Choice, and Open Enrollment

The research on community characteristics for voucher programs, school choice and open enrollment focused mainly on transportation, social and economic stratification, and parental satisfaction.

Vouchers

One review of voucher program research stated, "similarities were found in family income, parental satisfaction, parental education, parental marital status and family size, race and ethnicity, and attrition and mobility of voucher students" (WestEd, 1999, p.3). Molnar's (2001) review of the voucher program research also concludes that "there is extensive evidence, furthermore, that choice programs in general are likely to further divide pupils and communities along social, economic, ethnic, and class lines, increasing social stratification rather than enhancing educational equity" (p. 20).

The table below summarizes key details about transportation for the following voucher programs: Colorado, DC, Florida, Maine, Ohio, Wisconsin, and Vermont. Transportation is provided in three voucher programs (with some parameters), and in others it is either the districts choice or unknown.

Table 3. Summary of Incoming Guidelines and Transportation

State	Transportation
Colorado	Unknown
DC	Voucher pays the tuition, fees and transportation expenses.
Florida	School district pays if students enrolling in higher-performing public schools. Parents Pay if enrolling child outside district of in private school.
Maine	District choice
Ohio	District provides
Wisconsin	Provided by public school district if a student lives more than 2 miles away. A fee may be charged if the private school provides transportation. (Milwaukee)
Vermont	District choice

Sources: ECS, 2005; WestEd, 1999;

Racial and Socioeconomic Balance

In voucher programs, students are more likely to be minority students compared with the student public school population. Research has found that “students of certain racial and ethnic backgrounds make up a great proportion of voucher recipients than their numbers in the school population would predict” (WestEd, 1999, p.5). For example:

- Milwaukee (1990-1994):
 - African American students made up 73% of enrolled voucher students; compared with 55% of African Americans in the public school population
 - Hispanic students made up 21% of voucher students; compared with 10% in the public school population
 - White students made up 5% of voucher students; compared with 29% in the public school population

Green and Forster (2008) examine the role voucher programs have made in racial integration of private schools participating in voucher programs and state that “the seven studies that have been conducted on vouchers and segregation all show that private schools participating in voucher programs are less segregated than public schools in the same cities” (p.5).

The table below summarizes examples of the research by voucher program:

Table 4. Summary of Program Outcomes

State	Summary of Race/Ethnicity Research
DC	<ul style="list-style-type: none"> • “Greene and Marcus Winters (2005b) of the University of Arkansas analyzed segregation in the new voucher program in Washington DC. They find that in public schools the percentage of students who are white differs from the percent white of the metro area by an average of 40 points, compared to 34 points for private schools participating in the voucher program” (Green and Forster, 2008, p.6)
Ohio (Cleveland Scholarship and Tutoring Program)	<ul style="list-style-type: none"> • “Students who participate in the program are more likely to be Caucasian, Hispanic or multiracial, whereas public school students are more likely to be African-American. Further, scholarship students tend to come from families that are somewhat less likely to be eligible for free or reduced-price lunch than public school students” (ESC, 2005).
Wisconsin (Milwaukee Parent Choice)	<ul style="list-style-type: none"> • “Black and Hispanic pupils of very low income were the predominant participants” (ESC, 2005).

Program)	
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Sources: ECS, 2005; Greene and Forster, 2008

Parent Satisfaction

Research has shown that parents are generally more satisfied with their voucher student’s private school than with their public school (WestEd, 1999). Research on the Milwaukee Parent Choice Program found that “satisfaction and support levels of parents participating in the program were consistently high, with levels of parental involvement increasing over time” (ESC, 2005). In Cleveland, Ohio parents of voucher students reported a higher degree of satisfaction with the following aspects of their child’s school than parents of public school students: academics, safety, school discipline, class size, school facility, the teaching of moral values, and student respect for teachers (WestEd, 1999). A recent evaluation of the DC opportunity Scholarship Program found that “parents were more satisfied and felt school was safer if their child was offered or used an OSP scholarship” (Wolf, et al, 2010, p. xvi).

Parents of special education students have also reported high satisfaction with voucher schools. The McKay Scholarship Program for Students with Disabilities currently makes vouchers available to over nine thousand students in Florida public schools who receive special education services. In a telephone survey of parents who have students in the program or used to have student in the program, “parents were more satisfied with their experiences in private McKay schools than they were with their experience in public school” (Greene and Forster, 2003, p.1).

Title I School Choice

Under NCLB, parents are provided options if their child attends a Title I school that is “identified for improvement, corrective action, or restructuring because the schools have not made adequate yearly progress (AYP) toward meeting state standards for two or more years. The first of these options is the opportunity for parents to transfer their child to another school in the district that has not been identified. The second option is for parents to enroll their child in supplemental education services...offered by a state approved provider and are in addition to instruction provided during the school day. (p. xi, U.S. Department of Education, 2007).”

Limited information about transportation or parental satisfaction associated with Title I school choice was available. However, research has been conducted on the racial and socioeconomic impact of the program. For example, a U.S. Department of Education (2007) report examined whether “students who took advantage of this school choice option transferred to schools with higher or lower concentrations of the same race or ethnicity” (p.12). The report found that African-American, Hispanic, and White students all moved to schools with higher proportions of white students (U.S. Department of Education, 2007). Overall the report concludes that “students generally transferred to school that were somewhat more diverse than the schools they left” (U.S. Department of Education, 2007, p.14).

Open Enrollment

Open enrollment policies are generally defined as policies that give students “the ability to transfer from one public school to another public school (p. 1, Herrmann, A. et al, 2009).” According to the Education Commission of the States, a majority of states (46) have established some type of open enrollment policy (2008). There is a great degree of variation in state policies in terms of whether they require or make voluntary district participation, allow transfers within districts or across districts, and address issues such as funding, transportation, special education, racial balance in districts, criteria for participating students, and eligibility for high school athletics (p. 2, Herrmann, A., et al, 2009; p. 2, Missouri State Legislature, Joint Committee on Education, 2009). The focus of this section is on community issues such as transportation, racial and socioeconomic balance, and parent satisfaction.

Transportation

Most states with open enrollment policies do not require the sending or receiving district to provide transportation (Jimerson, 2002). However, there are examples of open enrollment programs that stipulate transportation for students:

- Minnesota mandates that receiving districts transport from the borders of their area
- Other policies require districts to partially reimburse low-income families
- Arizona requires districts to provide transportation for special education students (Jimerson, 2002).

Some research shows that transportation is a barrier to school choice. A study done with parents in Denver, CO and Washington DC found that 25-40% of parents said that transportation issues influenced their school choice or that they would have made a different choice if there were transportation options (Teske et al, 2009). Mickelson, Bottia, and Southworth (2008) cite the lack of transportation as one of the practical problems with open enrollment and note that such issues “often render open enrollment plans more symbolic than genuine” (p.12). The authors go on to say that the lack of transportation coupled with the fact that many suburban districts choose not to participate in open enrollment programs and do not accept transferring students “allow more advantaged students to transfer to relatively whiter, more affluent school systems, thereby exacerbating race and SES inequality between districts” (p.12). These issues and examples are discussed in the next section below.

Racial and Socioeconomic Balance

As mentioned above, one challenge to ensuring racial and socioeconomic balance in open enrollment programs is voluntary participation by districts. Dillon (2008) examined the impact of the Massachusetts interdistrict school choice program on low income students and argues that because it allows districts to decide whether to accept transferring students, the program “offers little potential to substantially help low-income students”. For example, the author notes, “suburban districts surrounding several low-income districts – most notably Boston – have chosen not to participate in the school choice program. Thus, students in these low-income districts don’t have many educational options under the program.” In fact, the majority of students participating in the program are white and come from more affluent districts (Dillon, 2008). Dillon (2008) also states that the low-income districts that do have districts close by that accept choice students experience a loss in resources.

A study of the Minnesota open enrollment program found that high impact districts (districts that experienced the greatest amount of student loss as a result of open enrollment) are more likely to be suburban and have higher minority enrollments (Funkhouser, 1994). The speculation about this trend in Minnesota is that suburban students have more opportunities to transfer to other districts unlike students in rural districts. Similarly, data from Wisconsin’s open enrollment program show that participants in the program are more likely to transfer to a district with a higher average household income (State of Wisconsin Legislative Audit Bureau, 2002). This evaluation also revealed that “minority students participate in the open enrollment program at lower rates than their representation in school districts: 19.9 percent of all public school students belonged to one or more minority groups in 2001-02, but demographic data from the open enrollment program indicate that minority students accounted for only 11.6 percent of transfers in that year. In contrast, 80.1 percent of all public school students in 2001-02 were white, but white students accounted for 84.7 percent of open enrollment transfers.” (State of Wisconsin Legislative Audit Bureau, 2002, p. 43). This pattern is also found in the Minnesota data, where Jimerson (2001) states that minority students are underrepresented in the open enrollment program and “in over one-third of all Minnesota districts 100 percent of student involved in the program were white” (p.17). As a result of this imbalance (and after settling a law suit with the local branch of the NAACP), the Minneapolis school system now reserves 500 spaces in suburban schools for low-income students from Minneapolis who would like to participate in the open enrollment program. In addition, the state agreed to pay for transportation for these students (Jimerson, 2001).

Mickelson, Bottia, and Southworth (2008) reviewed the literature on the different school choice options and the segregation of schools by race, socioeconomic status (SES) and student ability. The authors note that some interdistrict open enrollment programs control for race, ethnic, and SES diversity. However, in programs that do not control for these factors, there is evidence of resegregation in “losing districts,” where students choose to use the open enrollment option to attend other districts.

In summary, open enrollment programs are generally utilized more by white students than by their minority peers and have enabled students to transfer out of urban (or suburban in the case of Minnesota), diverse districts to districts with higher average household incomes and lower minority enrollments.

Parent Satisfaction

An evaluation of Wisconsin’s open enrollment program found that, overall, parents had a positive reaction to the program (State of Wisconsin Legislative Audit Bureau, 2002). District administrators were surveyed about the program and 135 out of 270 districts had comments on parent satisfaction which included:

- Satisfaction with the program (81 districts)
- Appreciated having school choice (38 districts)
- Non participating parents were dissatisfied with the program (7)
- Parents had mixed responses to the program (6)
- Parents had neutral responses to the program (3)

Data from an evaluation of Minnesota’s open enrollment program cited two primary reasons families use open enrollment: proximity for elementary parents and academics for secondary parents (Funkhouser, 1994). Staff in the WI evaluation were asked about their perceptions of why families participate in the open enrollment program. Staff from districts that lost students said the reasons were: more convent school location, parents believe that receiving districts had safer schools and better academics, lack of modern facilities, marketing efforts by neighboring districts. Staff perceptions from districts that gained students felt families decided to participate because of: strong performance on standardized tests, smaller class size and few discipline problems, availability of athletic or extracurricular programs, convenience to child care of parents commute. (State of Wisconsin Legislative Audit Bureau, 2002)

Next Steps

The current memo summarizes the impact of vouchers, Title I school choice, and open enrollment on community characteristics. The focus of the next memo will be on how these programs fiscal impacts on the education fund, general fund, property tax rates, school budgets, property values, and transportation. This memo will be delivered on November 15, 2010.

Methods

Following an established REL-NEI research protocol, we conducted a search for research reports as well as descriptive and policy-oriented briefs and articles in this area. The sources included federally funded organizations, additional research institutions, several educational research databases, and a general Internet search using Google and other search engines. We also searched for appropriate organizations that may act as resources on this issue. We have not done an evaluation of these organizations or the resources themselves, but offer these resources to the requestor for their information only.

Criteria for inclusion

When REL-NEI researchers review resources, they consider, among other things, four factors:

9. **Date of the publication:** The most current information is included with the exception of nationally known seminal resources
10. **Source and funder of the report/study/brief/article:** Priority is given to IES, nationally funded, and certain other vetted sources known for strict attention to research protocols);

11. **Methodology:** i.e. Random control trial studies, surveys, self-assessments, literature reviews, policy briefs, etc. Priority for inclusion is given generally to random control trial study findings; however, the reader should note at least the following factors when basing decisions on these resources: Numbers of participants (just a few? Thousands?); Selection (did the participants volunteer in the study, or were they chosen?); Representation (were findings generalized from a homogeneous or a diverse pool of participants? Was the study sample representative of the population as a whole?)
12. **Existing knowledge base:** Although we strive to include vetted resources, there are times when the research base is slim or non-existent. In these cases we have included the best resources we could find, which may include newspaper articles, interviews with content specialists, organization websites, etc.

Limitations

This summary includes publicly available documents with an emphasis on research summaries, syntheses, and meta-analyses, as well as studies that discuss school choice, tuition voucher programs, and open enrollment programs. It was prepared in a limited amount of time in a specific time period in response to a request, and should not be considered exhaustive.

Key words and search strings used in the search

School vouchers OR tuition vouchers OR school choice OR open enrollment AND State OR evaluation OR Study OR effects OR impact OR Transportation OR race OR social stratification OR socioeconomic status

Search databases and websites used in the search

Institute of Education Science Resources (IES): Regional Educational Laboratory Program (REL); IES Practice Guides; What Works Clearinghouse (WWC); Doing What Works (DWW); Institute of Education Sciences (IES); National Center for Education Statistics (NCES); State Education Reforms (SER), Center on Innovation and Improvement.

Other Federally Funded Resources: Education Commission of the States.

Additional Resources: Education Development Center; WestEd; American Institutes of Research; The Campbell Collaboration; Council of Chief State School Officers (CCSSO); National Association of State Boards of Education (NASBE); National Conference of State Legislatures (NCSL); National Center on School Choice

Search Engines and Databases: ERIC; Google, Google Scholar; General Internet Search.

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Organizations to Consult

- National Center on School Choice,
<http://www.vanderbilt.edu/schoolchoice/index.php>
- School Choice Demonstration Project,
http://www.uark.edu/ua/der/SCDP/Milwaukee_Research.html
- National Council of State Legislatures, Publically Funded School Voucher Programs,
<http://www.ncsl.org/Default.aspx?TabId=12942>

Memorandum

To: Armando Vilaseca, Commissioner of Education and Bill Talbott, Chief Financial Officer, Vermont Department of Education

From: Vicki Hornus, State Liaison, Sarah Guckenbug, State Researcher, & Susan Hayes, Researcher, Regional Educational Laboratory Northeast and Islands (REL-NEI)

Date: November 15, 2010

Re: Response to Request for Research on Tuition Voucher Programs and Fiscal Impacts

The Regional Educational Laboratory Northeast and Islands (REL-NEI) received a request from the Vermont Commissioner of Education, Armando Vilaseca, to identify and summarize research on the impact of tuition vouchers. REL-NEI researchers compiled publicly available resources to assist the Vermont Department of Education in answering their research questions.

Description of Request

The Vermont Commissioner of Education requested that the REL-NEI compile the impact of state wide tuition voucher programs in the following three areas, each summarized and presented in separate memos to the VT DOE:

10. Educational outcomes for students (*memo delivered on September 15, 2010*)
11. Community characteristics (*memo delivered on October 15, 2010*)
12. Fiscal impacts (*the focus of this memo*)

Research Question and Approach

What do publically available research or policy brief documents conclude about the impact of state wide tuition vouchers on fiscal issues such as education fund, general fund, property tax rates, school budgets, property values, and transportation?

To remain consistent with the first two memos on educational outcomes for students, researchers have focused this memo on fiscal impacts for school vouchers and open enrollment programs. Researchers did not find fiscal impact data on the Title I school choice program.

Summary of Findings: Vouchers and Open Enrollment

The research on the fiscal impact for voucher programs and open enrollment focused mainly on per-pupil expenditures (as well as student transportation costs), administrative costs for implementing a program, and impacts on tax payers and property values. Open enrollment research also focuses on the fiscal impact of special education services.

Voucher Requirements and Expenditures

Table 1 describes the income requirements of some tuition voucher programs and the voucher amount each program agrees to pay per student. Four programs: Colorado; District of Columbia; Cleveland, Ohio; and Milwaukee, Wisconsin all had income guidelines and gave preference for low income students. Each program has specific guidelines on how much the state or district will contribute to a tuition voucher per student. These range from \$1,875 in Cleveland, OH to \$7,500 in the District of Columbia. See Table 1 below for specific details on each program; note some of the cost information is from 1999.

Table 1. Voucher Program Income Guidelines and Voucher Amount

State	Income Guidelines	Voucher Amount
Colorado	A student must be eligible to receive a free or reduced-cost lunch	Lesser of either nonpublic school's per pupil cost or a set percent of the districts per-pupil operating revenues (adjusted by grade level).
DC	Priority to low-income students who attend a District of Columbia public school identified for improvement, corrective action or restructuring	Student received vouchers up to \$7,500 to pay tuition, fees, and transportation expenses at a private or parochial school in DC.
Florida	None	Equal to either the tuition of the private school or the cost of the program that would have been provided in the student's assigned public school (about \$4000), whichever is less.
Maine	None	State average of public education cost (about \$4,000 for elementary and \$5,000 for secondary) *1998-1999
Ohio (Cleveland)	Lottery selection gives preference to low-income families	Depends on family income. Below 200% poverty, families receive 90% of selected school's tuition or \$2,250 (whichever is less). Families at or above 200% poverty receive 75% or \$1,875 (whichever is less).
Wisconsin (Milwaukee)	Family income may not exceed 1.75% of the poverty level	Voucher is equal to operating and service cost per pupil at the private school or the district's state equalization aid per student, about \$5,100 in 1999-2000 (whichever is less).
Vermont	None	State average of public education cost (about \$5,500 for elementary and \$6,400 for secondary in 1998-1999). Families pay any additional costs, or district electorate can vote to pay full tuition.

Sources: ECS, 2005; ECS, 2004; WestEd, 1999

Administrative Costs of a Voucher Program for State Department and LEAs

Paul Hill (2003) of the Center on Reinventing Public Education examined the administrative costs of voucher programs. Using the experience of existing voucher programs, the author calculates a number of tables to estimate the demands and costs to the state and local education agency when implementing a voucher program. Specifically, dollar expenditures are estimated for both the gross and net costs imposed by a voucher program. Table 2 below summarizes the net cost of running a voucher program for both a state and LEAs. The table takes into account that some costs are offset by reductions in spending on students in public schools. The table assumes that 1 in 4 students using a voucher would have attended private school anyway. Finally, the table assumes that every voucher is worth about \$4,000, every voucher student will receive about \$500 in services (special education, bilingual education, etc), and transportation is about \$600 per student.

Table 2. Probable Net Annual Costs of a Voucher Program

	Local Voucher Office Expenses	Cash Value of Vouchers	Categorical Program Services	Student Transportation	Study Contracts
State	\$400,000	\$1,250,000	\$188,000		\$250,000
LEA		\$750,000	\$62,000	\$300,000	
TOTAL	\$400,000	\$2,000,000	\$250,000	\$300,000	\$250,000

Source: Hill, P. (2003)

Impact of Voucher Programs on Cost Savings, Taxes, and Property Values

The impact of voucher programs has been examined in a number of different studies and evaluations, especially in places that have had programs in place for many years such as Cleveland, OH, and Milwaukee, WI. According to a report that examined the fiscal impact of school choice from 1999-2006 by the Friedman Foundation for Educational Choice (a pro-school choice advocacy organization), school choice does result in cost savings. The report examined 12 tuition voucher or tax credit programs and found that “school choice programs have saved a total of about \$444 million from 1990 to 2006, including a total of \$22 million saved in state budgets and \$422 million saved in local public school districts” (p.5). The reason for this savings, according to the authors, is that “the dollar of the voucher or scholarship is less than or equal to the state’s formula spending per student “(p.5). In the case of VT, the author considers “town tuitioning” as revenue neutral.

Below is a summary of available research on specific voucher programs and the relevant data on their impact on cost, taxes or property values. Voucher programs have resulted in cost savings for taxpayers in some cases. However, there are also mixed findings on this impact, especially related to the Milwaukee Parent Choice program where the overall state experienced a tax savings and Milwaukee residents had an increase in taxes.

Cleveland scholarship and Tutoring Program (CSTP)

In 2001 the value of the tuition voucher in the CSTP program was \$2,400 and the average student cost in the public school system was \$8,800. The voucher amount does not include transportation, which must be paid by the district or standardized assessments which public schools must undertake. When all costs are taken into account, the savings of the voucher program is about approximately \$2,500-\$3,000 per student. The author notes that this is cost savings but also points out that there are additional costs that can need to be taken into consideration, “Although sizable, this saving does not factor in marginal costs, student disadvantage, or re-organization costs” (Belfield, 2006, p.19).

California

In 2000 CA voters had the opportunity to decide if they were in favor or against tuition vouchers. This allowed researchers to survey residents about their choice and examine how different factors, including property values, impact voters’ decisions. Researchers found that the voucher program would have “decreased values in neighborhoods with good public schools and increased values in neighborhoods with low quality schools. These capital gains and losses were potentially quite large, giving all homeowners a stake in the outcome of the voucher initiative, regardless of whether they had school children” (Brunner, et al, 2003, p.254). The findings from this survey indicated that homeowners voted to protect their property values. For example: “School quality has a sizeable effect on the probability of voting for the voucher initiative. A homeowner without school children has a 39 percent probability of voting for the voucher if he or she reports grade A public schools, but a probability of 56 percent if the schools are grade F. For homeowners with children in private school, the probabilities are 56 percent with a grade A school and 96 percent with a grade F school. For homeowners with children in public school, the probabilities are 59 percent and 35 percent” (Brunner, et al, 2003, p. 249).

Milwaukee Parental Choice Program (MPCP)

In the 2008 evaluation of the Milwaukee Parental Choice Program (MPCP), the two main findings were that there was a positive taxpayer savings, estimating that the voucher program resulted in savings of \$24.6 million in 2007 and \$31.9 million in 2008. However, the authors note that the financial impacts have been uneven and that “Despite net benefits for taxpayers as a whole, Milwaukee property taxpayers have been adversely affected, due to the specific nature of the funding formula adopted for the MPCP” (Costrell, 2009, p.1). An update of this study was conducted in 2009 to address the expansion of the voucher program and the change in the measure of the “funding flaw” noted above. The results in 2009 were that the fiscal benefits of the program were growing “due to rising voucher enrollments, and also

because of the widening gap between per public allocations to Milwaukee Public Schools and MPCP” (Costrell, 2009, p.2). The net fiscal benefit in 2009 was estimated at \$37.2 million. However the adverse fiscal impact for Milwaukee taxpayers remained an issue in 2009. An additional evaluation report for the same program on home prices found a relationship between nearby school quality and home prices even in an area with widespread public and private school choice.

Summary:

- Income guidelines and voucher amounts vary in states and regions with tuition voucher programs.
- Voucher programs have been shown to save schools and states money over time, however the research on this is limited.
- Vouchers and school choice have been shown to be connected to property taxes. One study found that a voucher program would decrease home values in neighborhoods with quality schools and increase housing values in neighborhoods with poor schools. Homeowners voted to protect property values.
- Vouchers have been shown to decrease taxes, but in the case of the Milwaukee program this was true across the state but not true for residents of Milwaukee.

Open Enrollment

Open enrollment policies are generally defined as policies that give students “the ability to transfer from one public school to another public school.” (Herrmann, A. et al, 2009, p.1). According to the Education Commission of the States, a majority of states (46) have established some type of open enrollment policy (2008). There is a great degree of variation in state policies in terms of whether they require or make voluntary district participation, allow transfers within districts or across districts, and address issues such as funding, transportation, special education, racial balance in districts, criteria for participating students, and eligibility for high school athletics (Herrmann, A., et al, 2009 p.2; Missouri State Legislature, Joint Committee on Education, 2009; p.2). The focus of this section is on the fiscal impacts of open enrollment policies, specifically interdistrict choice programs which allow students to attend a school in another district.

There are three primary fiscal issues related to open enrollment programs. They include (1) accounting for differences in per-pupil spending across districts, (2) the cost of transporting students across district lines, and (3) the cost of special education services.

A review of open enrollment policies prepared for the Missouri legislature indicates that in most states, per pupil expenses are “paid to the receiving district by the sending district “(Missouri State Legislature, Joint Committee on Education, 2009, p.15). This can present a problem when there are significant differences in the per-pupil costs of sending and receiving districts. Several states have explicitly addressed this issue in their open enrollment policies. For example, Delaware requires the sending district to pay the per-pupil expenditure of transferring students to the receiving district but “the amount paid is the lesser of the two districts (Ibid, p.8). The policy stipulates that “If the per pupil expenditure of the sending district is higher than that of the receiving district, the difference is put into a ‘School Choice Fund’ administered by the Department of Education. Monies in the School Choice Fund are distributed on a pro rata basis to receiving districts whose per pupil expenditure is higher than that of the sending district.” (Ibid). In Utah, sending districts pay receiving districts “half the amount by which the resident district’s per student expenditure exceeds the value of the state contribution.” (Ibid). In Wisconsin, if per pupil costs are higher in the receiving district than in the sending district, the state makes up the difference (Ibid). And in South Dakota, sending school districts “must pay the receiving school district based on the formula of local need for the receiving district” “(ibid, p.8). A report from the National Governors Association recommends boosting the percentage of per pupil funding contributed by states (versus monies raised at the local level) in order to equalize the playing field between districts and mitigate this issue, saying, “When the state covers a larger proportion of per-pupil expenditures for choice

options, funds are more portable and can more easily travel across district boundaries to different education providers” (NGA Center for Best Practices, 2005, p.5).

A second funding matter related to open enrollment policies is the transportation costs students incur when they travel from their home district to their district of choice. A report from the Education Commission of the States found that, “Transportation costs are typically the responsibility of a parent or guardian, school district or other entity (ECS, 2008 , abstract).” This is affirmed in a study of open enrollment policies by Lorna Jimerson of the Rural School and Community Trust in which she notes that, “Most states do not require sending or receiving districts to transport students” (Jimerson, 2002, p.16). Another example where parents are responsible for transportation is in South Dakota. “Schools are not required to provide transportation. The sending or receiving district may provide transportation. The receiving district may charge a “reasonable fee” if the student utilizes district transportation” (Missouri State Legislature, Joint Committee on Education, 2009, p.5). However, some states make exceptions for low-income students and/or students receiving special education services. For example, Arizona’s open enrollment policy specifies that parents or guardians are responsible for transportation costs but notes that “A receiving district...may provide transportation to nonresident low-income students for up to 20 miles each way and must provide transportation to nonresident special education students for up to 20 miles each way” (ECS, *Open Enrollment: 50 State Report*). Similarly, states like Iowa, Massachusetts, and Minnesota reimburse parents of low-income students for some or all of the transportation costs associated with participation in open enrollment programs.

The third financial implication of open enrollment policies is the cost of special education services. Some states have specifically addressed the issue of special education costs in their open enrollment policies and have attempted to offset any financial hardship receiving districts might experience as a result of accepting transfer students with disabilities. For example, Connecticut requires sending districts to pay receiving districts “an amount necessary to cover the cost of education and services for any special needs student ” and Nebraska reimburses receiving districts for “the costs of special education services provided to nonresident students” (Missouri State Legislature, Joint Committee on Education, 2009, p.3-4). However, some researchers have called attention to the often-negative impact of these “bill-back provisions”. Jimerson examined the finances of eight rural, high-impact Minnesota school districts (defined as those losing or gaining a high percentage of student population due to the choice policy) and found that “high-loss districts have had to shoulder proportionally more special education costs” and “allocate significantly more money to special education, when compared to high-gain districts” (Jimerson, 1998, p.7). She hypothesizes that this is the result of “the state legislated bill-back provision, which requires resident districts to pay for the extra costs of educating special needs children, even when they are served in other districts” (Ibid).

Wisconsin has a provision that aims to curb this situation from occurring. The state allows sending districts to deny students with disabilities to transfer “if special education services required under a student’s IEP would place undue financial hardship on the sending district if the services were to be supplied to a receiving district” (Ibid, p.4). Jimerson’s analysis also revealed that “high-loss districts have voted to add over two times the amount of per-pupil revenue (through local taxes) as compared to high-gain districts” and believes this is in response to districts’ desire to “counteract the revenue loss due to school choice” (Ibid).

Final points of consideration when it comes to the fiscal implications of open enrollment policies are the potential distancing of students’ educational experiences from their families’ payment for them and the impact on property taxes. A 2009 report by the Center for Evaluation and Education Policy suggests that breaking the link between “residence and education” could have unintended consequences including that, “Voters might be less willing to support education funding...if a substantial portion of students attending a local school are from outside the community” (Herrmann, A., et al, 2009, p.3). Similarly, Jimerson expressed concerns in her 1998 study of districts affected by Minnesota’s open enrollment policies about

the disconnect between “program and financial accountability,” specifically as related to special education (Jimerson, 1998, p.12). She stated simply that, “The decisions about special education programs are made by some, with the bills paid by others” (Ibid). Finally, Belfield (2006) reports that, in Minnesota, “property tax bases decline in desirable districts that accept transfer students and increase in districts where students can transfer out” (p.6).

In summary:

- States and districts must acknowledge that there may be differences between the per-pupil costs of sending and receiving districts, and create policies that address this.
- Transportation costs are typically the responsibility of the family; however, some states make exceptions for low-income students and/or students receiving special education services.
- Some states have attempted to offset any financial hardship receiving districts might experience as a result of accepting transfer students with disabilities. Some states require sending districts to pay the cost of special education services while others allow sending districts to deny students with disabilities to transfer if the cost of services will place financial hardship on the district sending the students.

Next Steps

The current memo summarizes the fiscal impacts of vouchers and open enrollment. A final report, including an executive summary of the three memos and the completed three memos will be delivered on December 10, 2010.

Methods

Following an established REL-NEI research protocol, we conducted a search for research reports as well as descriptive and policy-oriented briefs and articles in this area. The sources included federally funded organizations, additional research institutions, several educational research databases, and a general Internet search using Google and other search engines. We also searched for appropriate organizations that may act as resources on this issue. We have not done an evaluation of these organizations or the resources themselves, but offer these resources to the requestor for their information only.

Criteria for inclusion

When REL-NEI researchers review resources, they consider, among other things, four factors:

13. **Date of the publication:** The most current information is included with the exception of nationally known seminal resources
14. **Source and funder of the report/study/brief/article:** Priority is given to IES, nationally funded, and certain other vetted sources known for strict attention to research protocols);
15. **Methodology:** i.e. Random control trial studies, surveys, self-assessments, literature reviews, policy briefs, etc. Priority for inclusion is given generally to random control trial study findings; however, the reader should note at least the following factors when basing decisions on these resources: Numbers of participants (just a few? Thousands?); Selection (did the participants volunteer in the study, or were they chosen?); Representation (were findings generalized from a homogeneous or a diverse pool of participants? Was the study sample representative of the population as a whole?)
16. **Existing knowledge base:** Although we strive to include vetted resources, there are times when the research base is slim or non-existent. In these cases we have included the best resources we could find, which may include newspaper articles, interviews with content specialists, organization websites, etc.

Limitations

This summary includes publicly available documents with an emphasis on research summaries, syntheses, and meta-analyses, as well as studies that discuss school choice, tuition voucher programs,

and open enrollment programs. It was prepared in a limited amount of time in a specific time period in response to a request, and should not be considered exhaustive.

Key words and search strings used in the search

School vouchers OR tuition vouchers OR school choice OR open enrollment AND State OR evaluation OR Study OR effects OR impact AND fiscal OR taxes OR budget OR funds

Open enrollment AND finance OR fiscal OR cost

Search databases and websites used in the search

Institute of Education Science Resources (IES): Regional Educational Laboratory Program (REL); IES Practice Guides; What Works Clearinghouse (WWC); Doing What Works (DWW); Institute of Education Sciences (IES); National Center for Education Statistics (NCES); State Education Reforms (SER), Center on Innovation and Improvement.

Other Federally Funded Resources: Education Commission of the States.

Additional Resources: Education Development Center; WestEd; American Institutes of Research; The Campbell Collaboration; Council of Chief State School Officers (CCSSO); National Association of State Boards of Education (NASBE); National Conference of State Legislatures (NCSL); National Center on School Choice

Search Engines and Databases: ERIC; Google, Google Scholar; General Internet Search.

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Organizations to Consult

- National Center on School Choice, <http://www.vanderbilt.edu/schoolchoice/index.php>
- School Choice Demonstration Project, http://www.uark.edu/ua/der/SCDP/Milwaukee_Research.html
- National Council of State Legislatures, Publically Funded School Voucher Programs, <http://www.ncsl.org/Default.aspx?TabId=12942>