

## Summary Points

- ◆ Over 50% of districts are essentially unaffected by school choice.
- ◆ Districts affected by school choice are not consistently getting more or less ethnically or racially diverse.
- ◆ Districts losing students to school choice are not consistently experiencing declines in enrollment.
- ◆ Districts losing students to school choice are lower performing and more economically disadvantaged.
- ◆ Over 20 districts filed exemptions based on desegregation orders.
- ◆ Over 20 non-exempt districts did not submit required school choice information for 2014-15.
- ◆ Analysis of the impact of school choice on districts and students would be enhanced by improved data collection procedures.

## Impacts of the Public School Choice Act of 2013

*The Public School Choice Act of 2013 (Act 1227) allows students to transfer to a nonresident district. Previous school choice law restrictions based on race, were removed in the new law. As a result, concerns have been raised about the possible negative impacts of choice on districts' racial balance. This brief addresses these concerns by examining the impact of the Public School Choice Act of 2013 on district enrollment and racial integration.*

### **Background: Act 1227 of 2013**

In the 89<sup>th</sup> General Assembly, the Arkansas legislature passed The Public School Choice Act of 2013 (Act 1227 of 2013), which allows students to transfer into a school district outside of their residential area. Act 1227 was passed to replace the School Choice Act of 1989, which was declared unconstitutional by a federal court because eligibility to transfer was based on a student's race. Under the 1989 school choice law, a student could only transfer to a nonresident district in which the percentage of enrollment for the student's race did not exceed the percentage in the student's resident district; this restriction was intended to prevent school choice from leading to the re-segregation of school districts.

While Act 1227 did away with race-based restrictions, it added new restrictions to the use of school choice:

### This Brief

**Background P.1**

**School Choice in Action P.2**

**Considering Consequences P.4**

**Policy Recommendations P.7**

**Conclusion P.7**

- **Exemption:** Districts under desegregation orders can declare themselves exempt from allowing students to transfer into or out of the district.
- **3% Cap:** Transfers cannot result in a net change in the district's average daily membership of more than 3%.

Proponents of public school choice claim that increased competition can incite schools and districts to improve in order to retain or attract students. Some also suggest that open-enrollment policies result in more equitable outcomes for students from low socioeconomic backgrounds who may not be able to afford to live in higher-achieving districts.

Many have voiced concerns about the newest school choice law, specifically that the lack of racial restrictions in this version could lead to re-segregation. Some also worry that the law could lead to harmful enrollment losses, particularly in small districts.

Act 1227 expires July 1, 2015, so the legislature will soon decide the future of school choice in Arkansas.

## School Choice in Action

Under Act 1227, Arkansas Department of Education was required to collect data regarding the number of students leaving or joining each district under School Choice.

Although we have concerns about the quality of the School Choice data provided, we will use it to answer key questions:

- **Who is accessing School Choice?**
- **How are districts being affected?**
- **Are there negative consequences?**

### Who is Accessing School Choice?

Table 1 represents School Choice net change information for the 201 reporting districts from 2013-14 and the 194 reporting districts from 2014-15. Districts not included are explained in “*Why Are Districts Missing?*”

According to the data, School Choice produced a statewide net increase of 547 students in 2013-14, and a statewide net loss of 331 students in 2014-15. Increases in 2013-14 and losses in 2014-15 were seen across all racial and ethnic groups.

*Table 1. School Choice Information, Reporting Non-Exempt School Choice Districts, 2013-14 and 2014-15.*

	2013-14	2014-15
Number of Districts Reporting School Choice Data	201	194
Total Enrollment	375,617	383,143
Greatest School Choice Net Loss	-118	-115
Greatest School Choice Net Gain	+492	+ 99
Net Change Overall	+547	-331
Net Change White	+470	-251
Net Change Black	+ 44	- 34
Net Change Hispanic	+ 19	+ 6
Net Change Asian	+ 20	- 6
Net Change Other	- 6	- 46

## Why Are Districts Missing?

The following districts are not included in the School Choice Reporting Data:

### Exempt Districts based on desegregation orders

- **23** districts declared exemptions for 2013-14
  - **21** districts declared exemptions for 2014-15
  - Compared to Non-Exempt Districts:
    - Higher proportion of ethnic and racial minorities
    - Higher percentage of students eligible for Free or Reduced Lunch (FRL)
    - Lower performing academically
- Exempt districts are listed in the Appendix.*

### Non-Reporting Districts

- **6** districts failed to report School Choice in 2013-14
  - **21** districts failed to report School Choice in 2014-15
- Non-Reporting districts are listed in the Appendix.*

### Charter Schools

Regardless of data accuracy, net change information is limited in interpretability. North Little Rock School district reported the greatest school choice net gain of 492 students in 2013-14. Poyen School district only gained 29 students that year, but the relative impact on district enrollment was similar, because North Little Rock is so much larger than Poyen.

### How are Districts Being Affected?

To determine the impact of school choice on districts of varying size, the net change reported by districts was converted into a percentage of the district’s enrollment from the prior school year. Consistent with Act 1227 regulations, the prior year’s Average 3 Quarter ADM was used as enrollment data.

**Increasing School Choice Districts** reported a net gain from school choice greater than 1% of enrollment.

**Decreasing School Choice Districts** reported a net loss of more than 1% of enrollment to school choice.

**Maintaining School Choice Districts** reported little to no change in enrollment due to school choice. The impact of school choice was between -1 and +1 % change in enrollment.

More than **HALF** of the reporting districts were **minimally affected** by school choice. Figure 1 shows the percent of districts in each school choice enrollment impact groups. Descriptive information about the groups is presented in Table 2.

Figure 1. Percent of Districts Increasing, Maintaining or Decreasing Enrollment Due to School Choice, 2013-14 and 2014-15.

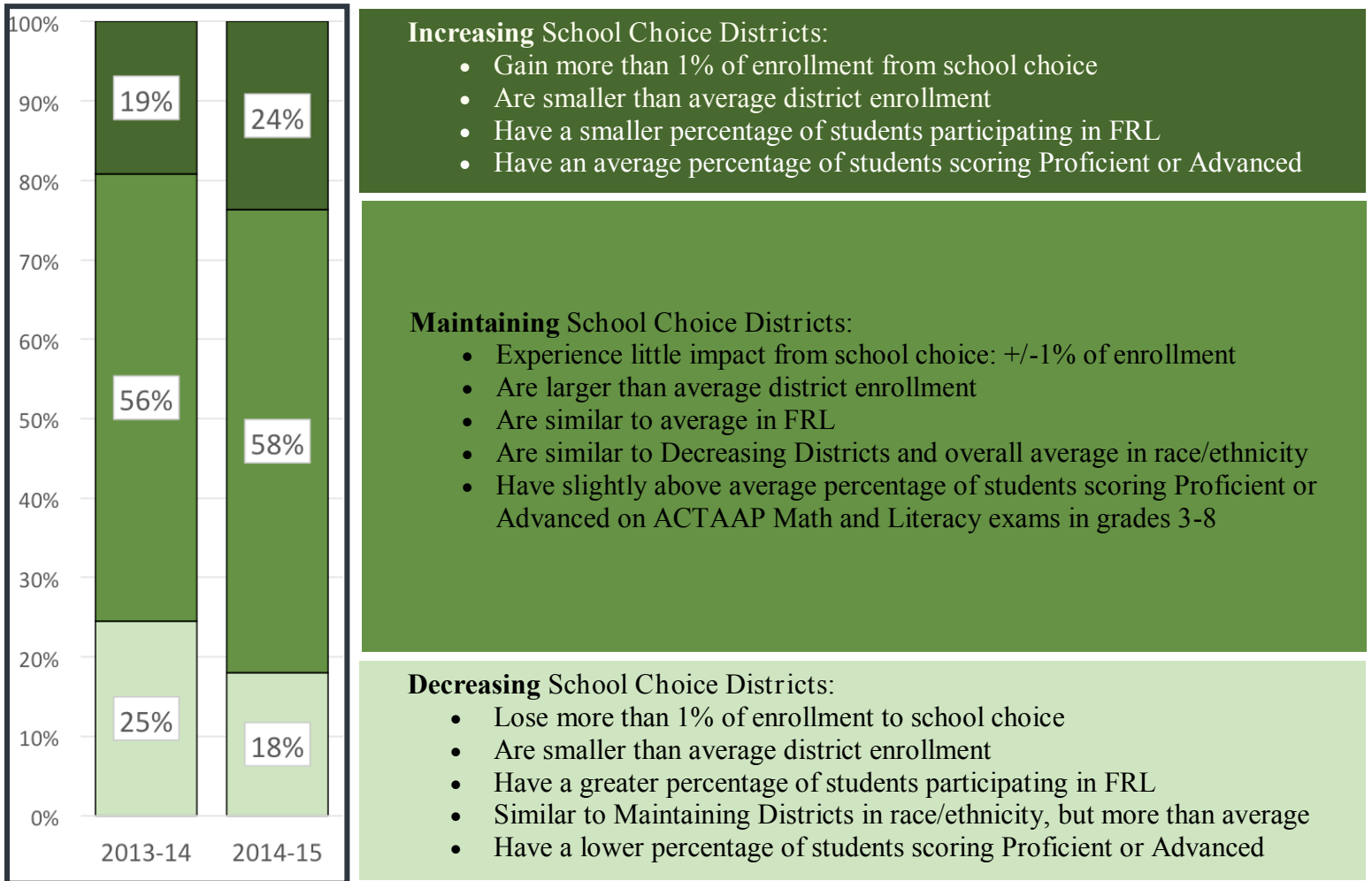


Table 2. Descriptive Indicators by School Choice Enrollment Impact Group, 2013-14 and 2014-15.

	Decreasing School Choice Districts	Maintaining School Choice Districts	Increasing School Choice Districts	All Reporting Districts*
<b>2013-14</b>				
Number of Districts*	51	117	40	208
Average Enrollment	1,026	2,309	1,330	1,806
Average % FRL	72	58	55	60
Average % Minority	35	32	21	30
Average % Proficient	70	78	77	77
<b>2014-15</b>				
Number of Districts*	35	113	46	194
Average Enrollment	1,022	2,611	1,335	1,975
Average % FRL	72	63	53	62
Average % Minority	38	38	11	34
Average % Proficient	NA	NA	NA	NA

\*Note: Data do not include exempt districts, districts that did not report school choice information to ADE, or charter schools.

## Considering the Consequences of Choice

Allowing students to transfer into a non-resident district will impact both the districts that lose students and those that gain students. Concerns about shifts in demographics and declining enrollment as unintended negative consequences of school choice are examined through enrollment and school choice data.

### Impact on Demographics

One unintended consequence of school choice could be a “re-segregation” of some public school districts. Changes in district demographics typically reflect the population of students living inside the school district boundaries, but under Act 1227 students can choose to transfer into a different district. If a significant number of students in a ethnic or racial group used school choice to transfer out of their residential district, racial and ethnic groups could become more segregated between districts.

To investigate this possibility of re-segregation, districts were grouped into deciles according to 2012-13 Percent White enrollment. This value provides one perspective of the demographic enrollment of the district prior to any impact of school choice. The 21 non-exempt districts with the lowest Percent White enrollment (highest percentage of minority enrollment) in 2012-13 were grouped into the first decile, while the 21 districts with the highest Percent White enrollment (lowest percentage of minority student enrollment) were grouped into the tenth decile. Table 3 provides descriptive information by decile, including the two-year net change through school choice for white students and overall school choice impact on percent white.

On average, districts increased by 1.7 white students due to school choice. Interestingly, even this increase results in an estimated school choice impact of a 1.2 % reduction in the percent white, because of increasing minority enrollment across the state. Overall, Arkansas’ white enrollment percentage has decreased 1.5 percentage points since 2012-13. Results presented in Table 3 demonstrate a variable but small school choice impact on demographics for Arkansas districts that were not exempt from school choice.

*Table 3. School Choice Net Change and Impact on Percent White by Demographic Decile, 2012-15*

<b>Enrollment Demographic Decile</b>	<b>% White Enrollment 2012-13</b>	<b>Net Change School Choice 2013-14 and 2014-15 White Students</b>	<b>% White Enrollment 2013-15 Adjusted for School Choice **</b>	<b>Overall School Choice Impact on % White Estimated **</b>	<b>% White Enrollment 2014-15 Actual</b>
<b>1</b> (Highest Percentage Minority Enrollment)	33.9	4.8	32.9	-1.0	32.4
<b>2</b>	53.5	-25.3	49.9	-3.5	49.4
<b>3</b>	65.4	-9.4	65.6	-0.9	65.4
<b>4</b>	77.1	-7.6	75.9	-1.2	75.6
<b>5</b>	87.0	5.6	85.6	-1.3	85.3
<b>6</b>	90.4	5.2	89.7	-0.7	89.3
<b>7</b>	92.8	23.5	92.1	-0.7	92.0
<b>8</b>	94.3	22.5	93.6	-0.7	93.4
<b>9</b>	95.9	-0.2	95.0	-0.8	94.6
<b>10</b> (Lowest Percentage Minority Enrollment)	97.2	-1.7	96.7	-0.6	96.5
<b>All Districts*</b>	<b>70.5</b>	<b>1.7</b>	<b>69.3</b>	<b>-1.2</b>	<b>68.9</b>

\*Note: Data do not include exempt districts or charter schools.

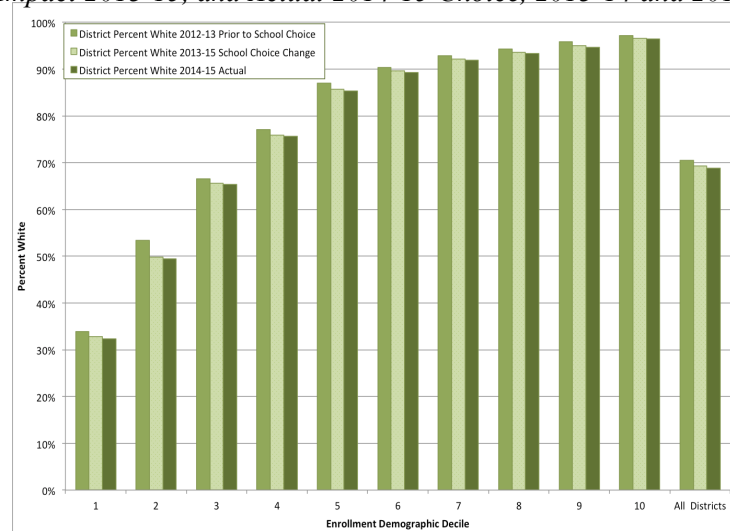
\*\* For more information about these districts and how these values were calculated see “Computation Details” in the Appendix.

**In sum, there is very little change in the percent white enrollment due to school choice, regardless of the district enrollment demographics before school choice.**

### Summary of School Choice Impact on Demographics

- On average, districts saw an increase of 1.7 white students due to school choice.
- All district demographics deciles have decreased in percent white enrollment from 2012-13 to 2014-15.
- This is not a result of school choice, but for increased minority enrollment throughout the state.
- The percent white enrollment change based on school choice is near -1% for all groups except decile 2. (See *A Closer Look* for more information about decile 2 districts.)

*Figure 2. Percent White Enrollment by Decile: 2012-13, Adjusted for School Choice Impact 2013-15, and Actual 2014-15 Choice, 2013-14 and 2014-15.*



### A Closer Look: Decreasing White Enrollment

As can be seen in both Table 3 and Figure 2, the percent of white student enrollment changed more for districts included in decile 2 than in any other group. On average, these districts lost 25 white students to school choice in 2013-14 and 2014-15. This is approximately 1.2% of the white students enrolled in these districts. Why would these districts be so much more likely to have white students transfer out? Examination of the individual districts' data revealed that a few districts in decile 2 reported very high numbers of white student transfers.

Malvern School District enrolls around 2,140 students each year, and in 2012-13, 58.8% (1,261 students) were white. School choice data reflect that Malvern reported a two year net change of -227 students overall, and **-208 were white students**. This is nearly an 8.5% decrease in white enrollment and is estimated to have reduced the white enrollment by 3.4 percentage points since before school choice.

While this decrease in white enrollment may be alarming to some, it is not the result of Act 1227. These 227 transfers, however, are **well above the 3% change in enrollment cap** included in Act 1227. Malvern's cap is 64 students per year. Over two years, Malvern allowed 99 more students to transfer out of the districts than the law allowed.

Following the 3% change in enrollment cap included in Act 1227 will help protect students and districts against such significant changes in enrollment demographics.

*To see districts reporting school choice percentages greater than 3% see tables A4 and A5 in the Appendix.*

## Impact on District Enrollment

Another unintended consequence of school choice could be loss of enrollment in some public school districts. Changes in district enrollment typically reflect changes in the population density of students living inside the school district boundaries, but school choice could lead to district enrollment changes unrelated to population change within the district boundaries. If a significant number of students used school choice to transfer out of their residential district, district enrollment could decline.

### *For all Districts:*

Enrollment data from the five years prior to school choice, 2007-08 and 2012-13, were used to predict district enrollment for 2013-14 and 2014-15. Predicted enrollment values were compared with actual enrollment values from 2013-14 and 2014-15 to determine if the districts most impacted by school choice were seeing impacts to overall enrollment. If actual enrollment was higher than predicted based on enrollment trends prior to school choice, districts were identified as growing. In 2012-13, 71% of decreasing school choice districts were identified as growing in 2013-14.

In 2014-15, 63% of decreasing school choice districts were identified as growing since they had overall higher enrollment than predicted based on enrollment trends. School choice is not having a consistent negative impact on overall district enrollment.

### *For Districts Decreasing or Increasing More than 3%*

Act 1227 caps net enrollment changes due to school choice at 3%, but according to the school choice net change data, many districts are seeing changes beyond this cap. In 2013-14, 17.3% (36) of reporting districts experienced more than 3% change in enrollment due to school choice. In 2014-15, 14.4% (28) of reporting districts reported enrollment changes above the cap of 3%. Examining the enrollment trends for these districts with large school choice percentages provides insight into how school choice impacts overall district enrollment.

The results reveal no consistent pattern based on school choice. Of the 30 districts with large percentage of students transferring out of school choice, 57% had higher enrollments than predicted. Even the districts exceeding the 3% cap, there is no clear relationship to changes in actual district enrollment. **In sum, school choice is not having a consistent negative impact on district enrollment.**

### District that Gained the Most Students Became More Diverse

Emerson-Taylor-Bradley School District in Columbia County has gained 69 students through school choice. The increase has led to greater diversity among the student body.

In 2012-13 the district enrolled only 16% ethnic/racial minority students, even though the county enrollment for minority students was 50%. Enrollment trends indicated the district had been enrolling fewer minority students since 2007-08.

Since school choice, the district enrollment of ethnic/racial minority students has increased by 8 percentage points, bringing the district closer to the demographic enrollment of Columbia County.

### District that Lost the Most Students Beat Enrollment Predictions

Mulberry School District lost over 10% of enrollment to school choice in 2013-14 and nearly 5% in 2014-15. How has the significant use of school choice impacted the districts' overall enrollment?

In 2012-13, only 348 students were enrolled in Mulberry, and declining enrollment trends suggested that enrollment would continue to drop to only 305 students by 2014-15.

School choice data indicate 53 students transferred for school choice over two years, however Mulberry's enrollment is higher than it was before school choice was available: 2014-15 data show 366 students enrolled in Mulberry School District.

For more information about this policy brief and other education issues in Arkansas, contact us:

Office for Education Policy  
211 Grad Ed Building  
Fayetteville, AR 72701  
Phone: (479) 575-3773  
Fax: (479) 575-3196  
oep@uark.edu

Visit Us Online:

officeforeducationpolicy.org  
officeforedpolicy.com

## FACULTY

### DIRECTOR:

Gary W. Ritter, PhD

### EXECUTIVE

### DIRECTOR:

Sarah C. McKenzie, PhD

### MANAGING DIRECTOR:

Jennifer W. Ash

### RESEARCH STAFF:

Kaitlin P. Anderson

Denice Pugh

Charlene A. Reid

Evan T. Rhinesmith



UNIVERSITY OF  
ARKANSAS

## Policy Recommendations for Changes to Act 1227

In light of the evidence on the impact of School Choice discussed in this policy brief, we at the OEP make the following policy recommendations for changes to Act 1227:

- The Arkansas Department of Education should ensure more accurate data collection to allow for in depth research into the effects of school choice on students and districts.
- The Arkansas Department of Education should support districts in limiting transfers due to school choice to the 3% of enrollment cap.
- The Arkansas Department of Education should be granted power to exercise meaningful oversight over which districts are granted exemptions based on desegregation orders, conduct a legal analysis of the cited desegregation exemptions, and study the impact of the law on various subgroups of students.

## Conclusion

School Choice is being accessed by approximately 4,500 Arkansas students annually, and over 200 districts are impacted by students transferring in or out of their district.

The demographic makeup and overall enrollment of the majority of districts are unaffected by school choice, but there are some trends whose enrollments are impacted by school choice. Decreasing districts, districts most likely to lose students, are smaller and serve populations more likely to participate in Free/Reduced Lunch programs than the average district. Increasing dis-

tricts, districts most likely to gain students, are smaller and serve populations less diverse and less likely to participate in Free/Reduced Lunch programs than the average district.

Regardless of the demographics trends for districts impacted by school choice, however, there does not appear to be negative effects of school choice for students or districts. **Overall demographic enrollment of districts are not consistently impacted by school choice.** Even the districts experiencing the greatest losses through school choice are not experiencing significant changes to the demographics of their students. **Overall enrollment trends are also not consistently impacted by school choice,** with most of the districts experiencing the greatest losses through school choice still enrolling a higher number of students than predicted based on enrollment trends.

Although preliminary school choice data and analyses do not identify consistent negative consequences, further research must be conducted. The impact of school choice on student achievement and longer-term enrollment and demographic trends should be examined to ensure Arkansas students are receiving equitable and high quality learning environments.

## References

<sup>1</sup> Ark. Laws §§ 6-18-206 to -1909. [http://www.arkansased.org/public/userfiles/rules/Current/School\\_Choice\\_Rules\\_Final\\_September\\_2013.pdf](http://www.arkansased.org/public/userfiles/rules/Current/School_Choice_Rules_Final_September_2013.pdf)

<sup>2</sup> Office for Education Policy. (Oct, 2013) *Public School Choice and Desegregation in Arkansas*. Arkansas Education Report. Retrieved from: <http://www.officeforeducationpolicy.org/wp-content/uploads/Public-School-Choice-and-Desegregation-in-Arkansas.pdf>

## Appendix

*Table A1. Districts Declared Exempt from Public School Choice Act, 2013-14 and 2014-15.*

District Name	
Arkadelphia	Junction City
Blytheville	Lafayette County*
Brinkley*	Lake Hamilton
Camden Fairview	Lakeside (Chicot)**
Cutter– Morning Star	Lakeside (Garland)
Dollarway	Little Rock*
El Dorado	Marvel-Elaine
Forest City	Mountain Pine**
Fountain Lake	Pulaski County Special
Helena/ West Helena	South Conway County
Hope	Stephens***
Hot Springs	Texarkana
Jessieville	

\* Not exempt in 2013-14, but exempt in 2014-15

\*\* Exempt in 2013-14 but not exempt in 2014-15

\*\*\* Consolidated after 2013-14

*Table A2. Districts Not Reporting Public School Choice Act Information, 2013-14 and 2014-15.*

District Name	
Armored	Lakeside (Chicot)
Barton/Lexa	Magazine
Clarendon*	Mayflower*
Danville	Mineral Springs*
Dermott	Omaha**
Earle	Palestine-Wheatley
East Poinsett	Pea Ridge
England*	Pulaski County Special
Farmington	Searcy County
Genoa Central	Siloam Springs
Gosnell	Spring Hill
Gurdon**	Stuttgart

\* Did not report in 2013-14, but did report in 2014-15

\*\* Did not report 2013-14 or 2014-15

### Computation Details:

Enrollment: District Demographics by Race: Fiscal year 23, 24 and 25.

Deciles: The 214 non-exempt districts were grouped into deciles according to the 2012-13 percent white enrollment.

Net Change School Choice: 2013-14 and 2014-15 White Students: Reported values for the net change of white students due to school choice were collapsed across the 2013-14 and 2014-15 reports to provide a 2 year estimate if school choice impact on district demographics. Net change values were averaged across each decile.

Percent White 2013-15 Adjusted for School Choice: Overall white enrollment from 2013-14 and 2014-15 was adjusted Net Change School Choice: 2013-14 and 2014-15 White Students, and divided by overall student enrollment for 2013-14 adjusted by Net Change School Choice: 2013-14 and 2014-15 All students.

Overall School Choice Impact on % White *Estimated* : Percent White 2013-15 Adjusted for School Choice subtracted from Percent White 2012-13. This results in the percentage point change difference in percent white estimated to be due to school choice.

*Table A3. Enrollment Demographic Deciles: Additional Information*

Enrollment Demographic Decile	Number of Districts	Average Enrollment 12-13	Min % White 12-13
1	21	3,394	1.80
2	22	2,129	48.32
3	21	2,653	60.87
4	22	2,429	71.72
5	21	1,092	83.17
6	22	1,646	89.04
7	21	1,326	92.23
8	22	1,264	93.5
9	21	933	95.27
10	21	712	96.48
<b>All Districts*</b>	<b>214</b>	<b>1,760</b>	<b>1.80</b>

\*Note: Data do not include exempt districts or charter schools.



Table A4. Districts With Greater Than 3% Changes to Enrollment Due to School Choice, 2013-14.

District Name	3 Q Adm 12-13	School Choice Net change 13-14	Net Change Percent of Enrollment 13-14
Mulberry	339.50	-36	-10.6%
Greenland	775.74	-59	-7.6%
Augusta	457.19	-31	-6.8%
Hillcrest	363.62	-24	-6.6%
Brinkley	581.31	-36	-6.2%
Malvern	2141.13	-118	-5.5%
Hartford	350.06	-17	-4.9%
Norfolk	451.35	-21	-4.7%
South Side (Van Buren)	487.72	-21	-4.3%
Lafayette County	702.85	-30	-4.3%
Two Rivers	808.43	-34	-4.2%
Hughes	348.07	-14	-4.0%
Midland	516.86	-19	-3.7%
Strong-Huttig	423.42	-15	-3.5%
Viola	413.22	-14	-3.4%
Harrisburg	1362.61	-44	-3.2%
Guy-Perkins	423.03	13	3.1%
Perryville	987.24	32	3.2%
Pottsville	1621.34	53	3.3%
Cotter	643.77	22	3.4%
Armored	435.34	15	3.4%
Bay	573.32	20	3.5%
Parkers Chapel	669.91	24	3.6%
Harmony Grove (Saline)	1058.46	38	3.6%
Valley View	2508.53	105	4.2%
Ouachita	463.78	22	4.7%
North Little Rock	8157.67	429	5.0%
Poyen	562.30	29	5.2%
Emerson-Taylor-Bradley	623.61	36	5.8%
Cross County	621.93	37	5.9%
Spring Hill	575.82	35	6.1%
Bauxite	1532.13	94	6.1%
Magnet Cove	627.89	39	6.2%

Table A5. Districts With Greater Than 3% Changes to Enrollment Due to School Choice, 2014-15.

District Name	3 Q Adm 14-15	School Choice Net change 14-15	Net Change Percent of Enrollment 14-15
Lawrence County	1074.59	-76	-7.1%
Greenland	808.79	-43	-5.3%
Malvern	2144.62	-109	-5.1%
Mulberry	371.43	-17	-4.6%
Shirley	420.70	-19	-4.5%
Midland	503.85	-22	-4.4%
Hughes	344.51	-14	-4.1%
Fordyce	842.67	-31	-3.7%
Strong-Huttig	387.92	-14	-3.6%
Augusta	425.65	-15	-3.5%
Hartford	326.14	-11	-3.4%
Mt. Vernon/ Enola	506.79	-17	-3.4%
Corning	967.17	-30	-3.1%
South Side (Van Buren)	484.89	-15	-3.1%
Jasper	888.53	28	3.2%
Marmaduke	722.91	23	3.2%
Horatio	844.06	27	3.2%
Emerson-Taylor-Bradley	971.98	33	3.4%
Ouachita River	670.29	23	3.4%
Kirby	342.93	12	3.5%
Elkins	1099.69	40	3.6%
Dierks	570.55	21	3.7%
Southside (Independence)	1597.06	65	4.1%
Magnet Cove	640.87	33	5.2%
Ouachita	503.17	26	5.2%
Bauxite	1577.72	99	6.3%
Sloan-Hendrix	634.60	42	6.6%
Woodlawn	551.32	38	6.9%