Summary Points

- Act 173 allows home school or private school students to enroll in courses in their district school.
- The State of Arkansas reimburses districts with students using Act 173 at one-sixth the state foundation funding amount per course, approximately $1,100 in 2017-18.
- In the 2017-18 school year, 95 students enrolled in 43 schools across the state of Arkansas using Act 173.
- A greater proportion of Act 173 students had a speech/language impairment than their district school counter-part.
- Larger districts were more likely to have students enrolled using Act 173.
- Some of the largest districts in Arkansas enroll no Act 173 students.

Who’s Using Act 173?

Act 173 allows home school or private school students to enroll in academic courses in their local public school district. Passed in 2017, students to first used it for the 2017-18 school year. Despite the benefits of the Act to both parties, only 95 students across 43 schools representing 35 districts across the state of Arkansas used the Act to enroll in at least one course in their district. In this policy brief, we describe the students who used Act 173 in the 2017-18 school year, explore possible reasons why, and offer some policy implications.

Introduction

In February 2017, the 91st General Assembly of the state of Arkansas passed Act 173, which allows home school or private school students to enroll in courses in their residentially assigned public school district. The district is then reimbursed by the state for one-sixth the state foundation amount per course for serving that student.

Act 173 benefits districts by allowing them to serve more families in the community while also increasing district resources. It benefits home school and private school students by providing them access to courses they may not otherwise be able to take.
Figure 1 presents demographic differences between district students enrolled through Act 173 and those enrolled through the typical process. A greater proportion of Act 173 students were White and a smaller proportion of them were Black or Hispanic compared to regularly-enrolled district students. While 86.3% of all Act 173 district students were White, only 55.9% of all regularly-enrolled Arkansas public school students were White. In contrast, only 5.3% and 3.2% of Act 173 students were Black or Hispanic, respectively, while 25.5% and 13.1% of the overall Arkansas public school population reported those racial identities.

Act 173 students were significantly more likely to report having a disability of any kind than public school students. Overall, 35.8% of all Act 173 district students reported having a physical or mental disability compared to just 13.7% of regularly-enrolled district students, a difference of 22 percentage points. Of the Act 173 students reporting a disability, the vast majority (30/34) reported having a speech or language impairment.

No students identified as Limited English Proficient (LEP) enrolled in district schools through Act 173, compared to 8.5% of regularly-enrolled district students that are identified as LEP. Act 173 students, who are home schooled or enrolled in private schools for most of their courses, may be less likely to be identified as having Limited English Proficiency, even if they fit the criteria. Additionally, language barriers may have deterred the parents of LEP students from using Act 173 to enroll in their district school.

Figure 2 depicts the number of students enrolled using Act 173 at each school level and the number of schools in which they were enrolled. Act 173 students disproportionately enrolled in high schools. Forty-four students used Act 173 to enroll in a total of 23 district high schools in the 2017-18 school year.

Figure 2. Number of Act 173 Schools and Students, by Level, 2017-18
Twenty-five Act 173 students enrolled in either middle school or junior high and 26 used the program to enroll in elementary schools. Middle/junior high students enrolled in 15 different schools, whereas elementary students enrolled in only five schools, with the vast majority (21) enrolling in Baseline Elementary in Little Rock.

In the earlier grades, a disproportionately smaller number of district students used Act 173 to enroll in one or more courses in their neighborhood school. This pattern persists until grade 8, when a disproportionately larger number of students used Act 173 (with the exception of the 10th grade). The disparity is largest in Pre-K through 1st grade, where only 7.4% of all Act 173 students are enrolled compared to 18.3% of all regularly-enrolled district public school students, an enrollment rate difference of 10.9 percentage points favoring regularly-enrolled district students. In grade 11, in contrast, 15.8% of all Act 173 district students were enrolled compared to just 7.1% of all regularly-enrolled district students, a rate difference of 8.7 percentage points greater for Act 173 students. Figure 3 displays these differences across all grade levels.

**Where are Act 173 students from?**

Most Act 173 students enrolled in schools in either Central Arkansas (34 students, or 35.8% of all Act 173 students) or Northwest Arkansas (31, 32.6%). By district, the greatest number of Act 173 students enrolled in a school in Little Rock (25, 26.3%). Central and Northwest Arkansas are the largest education regions by total number of public school students, with 142,932 and 172,634 students respectively. Figure 4 summarizes the number of students enrolled using Act 173 by region.
The Deltas (Northeast and Southeast regions) combined to enroll 18 Act 173 students, 18.9% of all Act 173 students. Act 173 students in the Deltas comprised 0.02% of all students enrolled in Delta districts. Southwest Arkansas enrolled 12 Act 173 students, or 12.6% of all Act 173 students in the state. These students composed 0.03% of all students in Southwest Arkansas.

Overall, Arkansas’ 95 Act 173 students comprise less than a quarter of a percent of all public school students in Arkansas (0.02% of 479,258). The Southwest Arkansas enrolls the highest proportion of Act 173 students (0.03% of all students in these two regions) and Upper and Lower Deltas the smallest proportion of Act 173 students (less than 0.02% of all students in this region).

### Predicting Act 173 Participation

Only 35 of 227 school districts in 2017-18 had at least one student enrolled using Act 173, a probability of 13.4%. The size of the district was an important factor in predicting Act 173 participation. A district with enrollment one standard deviation above the mean (that is, roughly 4,700 students) was approximately three percentage points more likely to have students enrolled using Act 173 relative to a district at mean enrollment. Larger districts include more private and home schooled students who might benefit from Act 173, offer more distinct courses that might attract such students, and can more easily absorb additional students.

Although the size of a district is a strong predictor of whether or not a district will have students enrolled using Act 173, it is far from a guarantee. Only three of Arkansas’ ten largest school districts (Little Rock, Pulaski, and Fayetteville) had any Act 173 students enrolled. Table 1 lists the ten largest school districts in Arkansas that do not enroll a single Act 173 student. It is surprising that these large districts are not yet participating in Act 173, as large districts are likely to offer courses home school or private school students would have difficulty accessing, they have the ability to absorb additional students, and they often express the greatest need for additional resources. Only one district among the state’s 57 smallest districts enrolled any students using Act 173.

The proportion of students classified as having Limited English Proficiency (LEP) was also an important predictor of district participation in Act 173. A district with LEP enrollment one standard deviation above the mean was approximately four percentage points more likely to have students enrolled using Act 173 relative to a district at mean LEP. This finding is surprising, since no Act 173 students were classified as LEP. However, recall that a large share of Act 173 students reported having a speech or language impairment. It may be that districts with larger shares of LEP students had more resources with which to support students with those disabilities.

### Table 1: Ten Largest School Districts with no Student Enrollment Under Act 173, 2017-18.

<table>
<thead>
<tr>
<th>District Name</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Springdale</td>
<td>21,828</td>
</tr>
<tr>
<td>2. Bentonville</td>
<td>16,870</td>
</tr>
<tr>
<td>3. Rogers</td>
<td>15,697</td>
</tr>
<tr>
<td>4. Fort Smith</td>
<td>14,239</td>
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<tr>
<td>5. Cabot</td>
<td>10,472</td>
</tr>
<tr>
<td>6. Conway</td>
<td>10,001</td>
</tr>
<tr>
<td>7. Bryant</td>
<td>9,121</td>
</tr>
<tr>
<td>8. North Little Rock</td>
<td>8,427</td>
</tr>
<tr>
<td>9. Jonesboro</td>
<td>6,209</td>
</tr>
<tr>
<td>10. West Memphis</td>
<td>5,458</td>
</tr>
</tbody>
</table>
Conclusions and Implications

In the first school year since Act 173 took effect, our preliminary findings suggest some important conclusions and policy implications:

1. **Promote 173 Enrollment.** The Act is designed to benefit students, by providing them access to more courses, and districts, by allowing them to serve additional students in their community and receive more resources. However, only a small number of students used the Act to enroll in courses in their zoned district in the first year. The modest initial enrollment in the program could be because families lack awareness of this opportunity, districts are refusing to participate or are limiting Act 173 enrollments, or demand for district courses by home and private schooled students is modest. Education officials in Arkansas should encourage districts to be more proactive in promoting these opportunities to private and home school students living in their district. They also should encourage districts to announce on their websites if they are or are not seeking to serve more children in their community through Act 173.

2. **Highlight Available Resources.** Demand for Act 173 enrollment is particularly strong among students with disabilities. Districts should highlight the resources they have available and the services they offer to support such students.

3. **Provide Supplemental Funding.** The students with disabilities making use of Act 173 tend to be more resource-intensive to educate than the average district student. As a result, Arkansas education officials should explore ways to provide supplemental funding to districts enrolling such students to offset potential challenges.

4. **Expand Student Choices.** Act 173 does not allow students to enroll in a school outside of the district in which they live. Additional students could benefit from this Act if nearby districts offered more attractive courses and they were able to enroll in them through a combination of Act 173 and the Public School Choice program. Better alignment between those two “consumer choice” initiatives would expand opportunities for students and districts while also providing state officials with a demand-driven measure of district school quality.

Act 173 is a great opportunity for private and home school students to gain value from attending classes at a public school, and enrolling these students enhances the districts through additional revenue and broader community engagement. Although fewer than 100 students enrolled in public schools under Act 173 in the first year, we anticipate increased participation in the years to come.

Sources and Resources
