



**House
Legislative
Analysis
Section**

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INTER-DISTRICT SCHOOL CHOICE

**House Bill 4987 (Substitute H-2)
House Bill 4988 (Substitute H-3)
First Analysis (10-11-95)**

**Sponsor: Rep. Jessie Dalman
Committee: Education**

THE APPARENT PROBLEM:

One of the many voices in the ongoing public conversation over how to improve public schools belongs to the advocates of "choice." Behind this point of view is the belief that if families are given greater freedom of choice in the schools their children will attend, a competition will ensue that rewards schools that are succeeding and punishes schools that are failing. Schools and school districts that want to prosper (or perhaps even survive) would then need to make themselves attractive rather than rely on a captive pool of students. Choice proposals can take many forms, from voucher systems that would permit students to attend any public or private school with tuition paid out of public funds to intra-district choice programs that allow students to attend any public school within a district rather than a neighborhood school. Choice proposals also include independent public schools known as charter schools, which operate outside of traditional school districts, as recently introduced into Michigan as a result of 1993 legislation. Another form is inter-district choice, which allows students to attend school without regard to district borders. In Michigan, a student is, generally speaking, tied to the public schools of the district in which he or she resides. A school district cannot include an out-of-district student in its membership without the approval of the school district in which the student resides. School districts can prevent students from going to another district. Legislation has been introduced that would provide a form of inter-district choice in Michigan.

THE CONTENT OF THE BILLS:

The two bills, which are tie-barred, would permit a form of inter-district public school choice. House Bill 4987 would amend the State School Aid Act to specify that a student attending a district outside of his or her district of residence would be counted in membership in the educating district and specifying that the educating district would not need the

approval of the pupil's district of residence to count the student in membership. Approval currently is required from the district of residence. House Bill 4988 would amend the School Code to eliminate provisions that allow a school district to charge tuition to students who reside in another school district. (Tuition would still be permitted if the students lived outside the state.) The bill also would require a school district in which a nonresident student enrolled to notify the student's district of residence within 30 days after the student's enrollment. The bills would take effect July 1, 1996.

MCL 380.1148 et al.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bills would result in an indeterminate increase in costs to the state. Currently, students who are attending a district other than their district of residence and whose parents are paying tuition to the educating district because the district of residence has not released them are not counted in residence in either district. The bills would result in increased state costs for these students, as they would be counted in residence in the educating district (though the amount of the foundation allowance of the district of residence would apply). (10-11-95)

According to a Senate Fiscal Agency analysis of a similar bill, Senate Bill 639, the state payment for a student is based on the foundation allowance of the student's district of residence; this would not be changed by the choice provisions of the bill. However, the open enrollment provisions could attract children currently enrolled in private schools or those being home-schooled. Estimates of the annual state costs that could be incurred under various scenarios range from \$10.7 million to \$107.4 million. Implications for local districts would vary

based on local circumstances. A local district would lose a foundation allowance for each pupil who left for another district under choice. A district that gained students due to choice would gain a foundation allowance (up to \$6,653 per pupil in 1995-96) for each pupil accepted. (10-10-95)

ARGUMENTS:

For:

The bills would create a system of voluntary inter-district choice. They would free parents and students are free to choose to attend schools in any school district. Some people believe that allowing parents to choose the schools their children will attend could dramatically improve the quality of schools and the performance of students. A market-driven school choice approach would provide what is often fundamentally lacking now -- accountability -- by rewarding schools doing a good job and punishing schools that are failing. A public school choice system that allows parents to choose among public schools without regard to current district lines could have a transforming effect on how schools are run, by making dollars follow students and giving parents more power.

Whether they believe the benefits of choice are due to the discipline of the marketplace or due to the motivation to achieve that comes from building genuine communities of learning, advocates of choice believe it is the best mechanism for restructuring schools, for casting off outmoded practices and stifling bureaucracies, for stimulating bottom-up innovations supported by a school community (which are preferable to top-down mandates that are likely to be resented or sabotaged), for producing models for others to emulate (or avoid), and for producing the kind of "research and development" that is difficult to conduct in a centralized system with entrenched interests.

Under these bills, no longer would families of ordinary means have to take whatever is offered them in the local public schools. This proposal rejects the idea that failing schools should simply be sent more money without demanding change and rejects the notion that change should simply be imposed by state policymakers from a distance without regard to the interests and values of parents, teachers, and students.

Response:

Some people argue that real "choice" legislation would require school districts to accept students regardless of district and would provide for transportation of students to the schools they choose. This proposal does not do that. It does not require districts to accept anyone: it is a choice proposal for school districts not for families. The families that will have greater opportunities under this proposal are those fortunate enough to live near a district willing to take out-of-district students and with the means to transport their children. A substitute bill has been offered containing additional features to make choice meaningful, such as open enrollment periods and transportation. The substitute would also require that receiving districts use a lottery to fill available slots with out-of-district students. The bills as written do not address how willing receiving districts are to make decisions about which students to accept and reject. This could lead to various kinds of unfair and unhealthy discrimination.

Against:

How can there be fair competition between school districts for students when there are still serious disparities in per-pupil spending? Some districts spending \$5,000 per pupil are adjacent to districts spending \$10,000 per pupil. And the higher spending district typically has superior facilities and programs from years of higher funding levels. How does the lower spending district compete for students? Furthermore, if a district's students are drained away, its funding will decline, reducing its ability to compete even more. There is also a concern that if the schools do not have a common curriculum or do not have to meet universal standards, there will be no way to compare districts educationally.

Response:

Families choose schools and school districts for a variety of reasons not simply based on levels of spending and affluence. Parents differ in educational philosophies, students differ in learning styles and interests, and the more choices that are available to them, the more likely there will be a good fit.

Against:

Opponents of inter-district choice have raised the following issues.

-- Inter-district choice will result in further racial segregation, say representatives of some Wayne County school districts (and educators from other urban areas). They warn that the choice proposal "simply enhances the opportunity for minority populations to be left behind and for the evolution of economically elite schools." An increase in segregation by race, income, and class is not good for the state's schools.

-- Without safeguards, there will be likely be athletic and intellectual raiding. Concerns about athletic recruiting, critics say, led to the provisions requiring a release by a school district before a student could go out of district. Current protections against athletic transfers would probably be unenforceable in an inter-district choice environment. Further, there will be competition for students with demonstrated academic talent and high test scores. Districts who lose these students will suffer because, critics say, "research suggests that all students achieve at higher levels with a mixture of students whose abilities cross the intellectual spectrum."

-- It will be difficult for districts to project staffing needs. Many labor agreements call for layoff notifications in early spring. Districts could find themselves understaffed or overstaffed as student populations shift.

-- Taxpayers in school districts have passed enhancement millages and have supported bond issues to provide opportunities for the children in their communities. Under this proposal, students from other districts would benefit from these financial sacrifices, some of them from districts where residents have not made a similar commitment. With students no longer anchored in community school districts, community support for funding education could decline. This is especially true if schools are seen as a matter of consumer choice and not community responsibility.

-- There will be disadvantages for special education students. Critics say districts will not want to accept special education students because they represent added costs. State funding has not kept pace with special education mandates, and local districts must make up the difference.

Against:

Some critics of the school choice philosophy argue that choice simply will not improve the overall quality of schools. It is not necessarily the case that parents will choose schools based on educational quality. The successful schools will be those that offer programs that attract students and parents and keep them happy. If one's goal is to maximize choice as an end in itself, that is one thing. But if the goals are better schools and improved educational opportunities, where is the evidence to suggest that inter-district choice will have much impact? Inter-district choice is no substitute for a commitment to engage in the hard work of trying to improve every school, building by building, so that all children in the state (not just winners in the "choice" lottery) are provided with the schooling they deserve. The bills will likely lead to an even more stratified state school system, with one set of schools for children from educated, informed, aggressive, system-wise families and one set of schools for the rest of the state's children. This is contrary to the notion of the heterogenous common school.

Response:

This is the kind of argument that says that educational bureaucrats are better able to make decisions for children than their parents. This proposal is meant to empower parents and reduce the influence of the monopoly public school system; it is meant to free children from being stuck in the school district where they live. The attitude behind the proposal is that the decision about where to send children to school is best made by the family.

POSITIONS:

A representative of the Department of Education testified in support of the bills before the House Education Committee. (10-10-95)

Among those who have expressed opposition to the bills are: the Michigan Association of School Boards, the Michigan Association of School Administrators, the Michigan Association for Improved School Legislation, the Michigan Education Association, and the Michigan Council of the American Federation of School Administrators. (10-10-95)