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by

Mark J. Foust

December 2014

SCHOOL CHOICE, COMPETITION, AND MARKETING PUBLIC SCHOOLS: A
MIXED METHODS STUDY OF A LARGE DIVERSE SUBURBAN SCHOOL
DISTRICT IN TEXAS

A Doctoral Thesis Presented to the
Faculty of the College of Education
University of Houston

In Partial Fulfillment
Of the Requirements for the Degree
Doctor of Education
in Professional Leadership

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Dedication

I must dedicate this Doctoral Thesis to all of the wonderful women in my life. My beautiful wife made the pursuit of this dream possible and “carried the load” during the entire process. Without her this paper would likely not exist. My girls, Chloe and Avery, were constant encouragements, and understood when it was time to “leave Daddy alone and let him work”. I am grateful for the encouragement of my mom and my grandmother. There is probably not anyone on earth or in heaven that is more proud of me in this endeavor than my Mema. This doctorate is one of the milestones in my life that I am sure puts a smile on her face. This Thesis is dedicated to all of these ladies who have enriched my life in so many ways.

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Abstract

Nationally, competition among school systems has existed for decades through school choice, open enrollment, and voucher programs. These concepts were foreign to the Texas public school system until the late 20th century. Because of an increase in competition and school choice, enrollment and state funding for public school districts in Texas may be in jeopardy. This study identified the impact of school choice, competition, and marketing in a large diverse suburban school district in Texas. The study used descriptive data and determined there was an observable loss in enrollment for the district to competing educational systems during the three years studied, 2010-2013. The research also employed interviews to determine the perceptions of district leaders regarding the marketization of education and to determine if school leaders intentionally marketed their schools to enhance or maintain enrollment. The study revealed the perception of school leaders regarding competition with other educational systems that are offered in the geographic area and the perception of school leaders regarding competition with other schools within the district. The research revealed that the district lost enrollment, and consequently, state funding to competing educational systems from 2010 to 2013 and that school leaders did not perceive that there was a loss of enrollment to competing systems. The study also found that school leaders did not market their schools and school district to address the loss of enrollment to increased competition. The results of this study have shown how one large diverse suburban school district was impacted and have added to the knowledge base regarding competition, school choice,

and the marketization of educational systems in Texas. The implication for public school districts in Texas is that school leaders should recognize the need to market their schools or school district to enhance or maintain student enrollment in an environment of school choice and competition.

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Chapter I

Introduction

In recent years in Texas public education there has been a significant increase in pressure on districts to perform well on high stakes standardized testing while simultaneously districts' financial resources and state funding have decreased significantly.

The Legislature in 2009 had set the state's 5 million public school students on a path toward college and career readiness with tougher new standards and tests. At least 40 percent of the students in the class of 2015...failed at least one of the 15 tests needed for a high school diploma. School districts blame the state for reducing funding by \$5.4 billion in the current budget...just as the rigorous standards were going into effect. (Alexander, 2012)

Increased standards and decreased resources was the climate under which most of the more than 1000 districts in Texas found themselves operating in 2013 and 2014. It could be argued that Texas public schools are under attack; not only are they under attack by increasing negative perceptions of their effectiveness but also by an increased competition between schools and various types of schools in the educational marketplace. Nationally, competition among school systems has existed for many decades through school choice, open enrollment, and voucher programs; however, these concepts were quite foreign to the Texas public school system until the late 20th century.

Whether or not it is understood by district leaders and campus administrators, public schools are now in a competitive environment and under increasing scrutiny to produce a quality educational product. That product is excellent academic and extra-

curricular programs for students; further, the public expectation is that public schools will produce graduates that will be well rounded, college, or career ready citizens. Do public schools in Texas clearly recognize these public expectations and the marketization of education that is taking place in the modern era? Because of an increase in competition and school choice, enrollment and consequently state funding for public school districts may be in jeopardy. Have school leaders in Texas recognized the national trends as they relate to Texas and are they prepared to market their schools to maintain enrollment and state funding?

School Choice and Private Schools

Competition between public schools and private schools has long existed in Texas. Many school districts in Texas annually lose enrollment, and consequently state funds, when their students chose to enroll in private schools. While for many families private school tuition costs are a barrier for leaving public schools, historically, public schools have lost middle class and economically advantaged students to private schools. In the Education Digest, Nora Carr (2007) wrote,

Better educated and more affluent, middle- and upper-middle class families tend to send their children to school ready (and eager) to learn....Yet school districts across the country –especially those in the nation’s largest cities—are reporting alarming increases in middleclass flight, as more economically able families of all races opt for private schools, or schools in the farther-flung suburbs. (p.46)

According to Carr (2007) this trend is exacerbated by the increased focus of school districts on high stakes testing and the necessity of districts to turn their attention to students in at-risk populations. Some families perceive this attention on high stakes

testing as an intentional decision of public schools to offer an inferior education to higher performing students. Carr (2007) writes,

An increasing number of middle-class families worry that public education is so focused on “teaching to the test” and meeting the needs of at-risk learners that their children will be left behind. As a result, private school tuition, once considered a luxury, is now viewed as a necessity by many middle-class families, including two-income households earning \$75,000 or less. (p. 47)

This perception suggests that school districts across the nation and Texas public schools continue to be in competition with private schools for these “ready (and eager) to learn” students.

School Choice and Charter Schools

The concept of school choice is becoming more prevalent in a state that does not currently have a voucher system. In 1995 Texas passed legislation that authorized the development of a charter school system that had expanded to 198 operational, publicly funded charter schools by 2012. In a report on the state of public education in Texas that was released by the Texas Education Agency (TEA) in 2010, there is a telling description of the purpose and scope of the publically funded charter school system.

Based on this legislative direction, the Texas Education Agency (TEA) has undertaken efforts to deregulate public education in the state. Actions include approval and support of open-enrollment charters and removal of barriers to improved student performance by waiving provisions of federal and state laws. These efforts support the four state academic goals and the strategic plan goal of local excellence and achievement. They do so by fostering local innovation and

supporting local authorities in their efforts to ensure that each student demonstrates exemplary academic performance. (p. 146)

Although Texas currently has legislation that increases the number of charters that can be awarded from 215 to 305 by 2015, it does not limit the number of schools that each charter can operate. Many of the public charters operate multiple schools in major metropolitan areas and throughout the state of Texas. Because they are publically funded and do not charge tuition, charter schools offer unique opportunities for families to consider when determining where their students will attend school. Thus, charter schools offer competition to traditional public schools.

School Choice, Open Enrollment and External Competition

In larger school districts in Texas competition is not limited to parents choosing private or charter schools over public schools. Many districts in Texas also have open enrollment programs where they will allow students from neighboring districts to attend with little or no tuition charged. Inter-district open enrollment programs offer more school choice options for families in Texas. Inter-district competition for student enrollment has existed for decades in large metropolitan areas but there is an increase in the number of suburban districts that are offering open-enrollment programs and entering the competition for students. Within mid-size to large school districts there has been an increase in the number of specialized programs that are offered to students. Magnet schools and secondary specialized academic program offerings have been introduced in the last two decades in many Texas districts in order to attract quality students and to offer students opportunities to enrich their secondary educational experiences. Open enrollment programs create a precarious environment for public schools whose budgets

are reliant on stable to increasing enrollment in the face of already decreasing funding for public education in Texas.

School Choice, Open Enrollment and Internal Competition

Within mid-size to large districts in Texas there are also local school choice programs that lead to internal enrollment fluctuations between schools in the same district. Districts with multiple schools find that their schools are not only competing with outside forces such as private schools, charter schools, and open enrollment districts, but they are also competing with schools within their district for the local market share of enrollment. In most districts staff allocations are based on student enrollment. Therefore, fewer students or declining enrollment translates to lower campus budgets and reduced staffing. The implications of reduced staffing are that schools are not able to continue to offer a wide array of academic and extra-curricular programs. In turn this could result in an inability to compete with other schools that are able to offer an attractive variety of programming. Schools in districts that have open enrollment programs or specialized academic programs such as magnet schools or academy programs find themselves competing for student enrollment with other schools in their own district in an effort to stabilize or increase enrollment numbers and positively impact their school's budget and staffing allocations.

Districts and schools find themselves in a relatively new era in Texas, an era of school choice rife with many different internal and external options for parents and students. It is incumbent upon Texas public school leaders to consider the implications of this new era of competition and their place in the educational marketplace.

Administrators must ask: What will be the impact of this marketization of public education on enrollment in public school districts and in individual public schools?

Statement of the Problem

Although there is a significant amount of research on school choice models internationally and in other states in the United States, currently there is limited information on the growing marketization of education in Texas. In an article discussing public school competition and its impact on schools in Texas the authors, Eric Hanushek and Steven Rivkin (2003), echo the limit of research on this subject in Texas. “Vouchers, charter schools and other forms of choice have been promoted as a way to improve public schooling...Until quite recently there was little evidence on public school responsiveness to competition from private schools, other public school districts, or charter schools, and empirical research remains quite thin” (p. 23). Charter schools are relatively new in Texas as compared to decades-old competition between public schools and private schools, and voucher school choice models have not yet been instituted by the Texas legislature. During future legislative sessions vouchers will likely be considered in Texas as Lt. Governor Dan Patrick, a vocal proponent of vouchers as a state senator, was elected in 2014. Because of recent reductions in public school finance in Texas, a growing use of open enrollment programs by districts and the increase in magnet and specialized academic program offerings in schools, there is a potential increase in competition for student enrollment and the funding that accompanies this enrollment. With enrollment impacting staffing within mid-size and large school districts there may also be internal competition between schools for student enrollment. School leaders in Texas may not be aware of the increased competition and potential impact of declining

enrollment. Marketing of public schools is not a new concept nationally, but there may be significant challenges in relation to enrollment and market share that school leaders are facing that they have not yet identified, or have failed to respond to effectively to ensure that their districts and schools remain relevant and competitive in the current educational marketplace in Texas.

Purpose of the Study

There were two purposes of this study of a large diverse suburban school district in Texas. One purpose was to conduct an analysis of the number of students in recent years that reside in the attendance zone of the district but that have chosen to attend a school other than that of the public school district. The enrollment data was translated into dollars per student to determine the loss/gain of state funding based on the loss/gain of enrollment. Another purpose was to explore the perceptions of school leaders regarding competition for enrollment between schools within the district and their perceptions of competition with other forms of education such as charter schools, private schools, and open enrollment public school districts. The study explored what intentional actions school leaders have taken to maintain or enhance enrollment in response to their perceptions of competition.

Research Questions

The study was an analysis of the loss or gain in enrollment by the district to the three significant competing forces in the geographic area surrounding the district: charter schools, private schools, and open enrollment programs in neighboring districts. Data was collected for the years 2010-13 as a convenient sample and were used to describe

enrollment patterns for the subject school district. The research questions for this portion of the study were:

1. How many students in each school level, elementary, middle school, or high school, are not enrolled in the subject school district, but are instead enrolled in a competing educational program such as a private school, public charter school, or neighboring open enrollment public school district?
2. Is there a pattern or trend of enrollment loss by school level over the most recent three years of available data?
3. Do some schools within the district lose more or gain more enrollment than others and is there a multi-year pattern or trend for certain schools?
4. How many students are not attending the campus in their residential attendance zone because they have applied and been accepted to one of the district's specialized programs?

Interview Questions

For the interview portion of the study a sample of district leaders and a representative sample of the campus principals at various grade levels addressed the following questions:

1. What is the perception of the school leader regarding competition with other educational systems that are offered in the geographic area such as private schools, public charter schools, and neighboring open enrollment public school districts?
2. What is the perception of the school leader regarding the significance of the loss or gain in enrollment annually to the district or to their school?

3. What is the perception of the school leader regarding competition with other schools within the district?
4. Are there ways the leader intentionally engages in marketing of their public school district or their public school to increase or maintain student enrollment?

Significance of the Study

Although there is significant research and discussion of school choice regarding international and national trends, there remains very little literature on the perceptions of school leaders in Texas regarding competition and marketing in public schools. This study analyzed the data that exists with one large suburban school district related to enrollment and school choice and sought to uncover the depth of understanding that school leaders have regarding their district's position in the educational market. The data also revealed the depth of the financial impact of various forms of school choice in Texas on one district and brings to light the complexities that districts face when establishing a strategy to address enrollment concerns. This study adds to the body of literature on the subject of school choice and marketing public schools and provides other Texas school districts with a reference point to consider their understanding of their position in the educational marketplace. This study is significant as it discovered a need for graduate level educational leadership programs to provide additional pre-service training related to marketing of public schools to future school leaders. It may also lead to further study of the subject of school competition and public school marketing on a broader scale of Texas school districts in urban, semi-urban, and suburban environments.

Limitations

There are several limitations that were considered with this study of a large suburban school district in Texas. This study only focused on one district. One limitation of the study is that the data results and survey results cannot be generalized to all schools in Texas or to schools in other states with various laws governing school choice and varying economic conditions. Another limitation is that the research did not provide information pertaining to why parents choose alternatives to the public school offerings in this district. Included in this limitation is the uncertainty of why parents enter or leave the district at certain grade levels. Only the raw statistical data was considered regarding numbers of lost enrollment. There was not any data reviewed in the study associated with the study of parent choice. The geographic location of this district may impact the results of the data such that it may not be comparable for districts of different size. “There are twenty-seven separate metropolitan statistical areas (MSAs) in Texas. These areas vary considerably in size and ability to mount effective competition across districts” (Hanushek & Rivkin, 2003, p. 28). This exemplifies the exclusionary delimitation that is inherent to the geographic location and size of the district that is the subject of the study. Another exclusionary delimitation is that the demographic data for the district studied may not be universally representative for other large school districts in Texas and may limit the ability to compare the results of the proposed study with other school districts. The study was limited by the accuracy of the instruments that were used to collect school leaders’ perceptions of school competition, school choice, and marketing of public schools. The study may have been limited by this district’s approach to professional development for its leaders with regard to public school marketing.

Another limitation is that it cannot be assumed that the subject district's understanding of its position in the educational marketplace was the same awareness that other similar sized districts in Texas or the United States have of their position in the market.

Definition of Terms

The following terms are defined for the purposes of this study. Note that some terms are specific to programs or government institutions in the district that was studied or to Texas and its educational system.

1. **School Choice:** "In the US, school choice takes two main forms: vouchers and charter schools" (Hoxby, p. 12). For the purposes of this study school choice is referred to in a general context of the opportunity for parents to choose from various forms of competing school systems for their student.
2. **Vouchers:** a publically funded coupon that when a student enrolls (usually in a private school) entitles the school to get revenue equal to the amount of his voucher (Hoxby, p. 12).
3. **Texas Charter Schools:** According to the 2010 Comprehensive Annual Report on Texas Public Schools, "In 1995, the Texas Legislature passed legislation that created open-enrollment charter schools (Texas Education Code (TEC), Chapter 12, Subchapter D). Charter contracts are typically awarded by the State Board of Education (SBOE) for a period of five years...Statue limits the SBOE to awarding no more than 215 charters to individual charter holders" (p. 147).
4. **Open Enrollment Programs:** Programs that allow students from any geographic location within the State to enroll in the school system.

5. **Intra-district Choice:** The opportunity to enroll in a variety of schools within a given district based on choice of program or application to a school.
6. **Competition:** When two or more entities compete for the same limited resource. For the purposes of this study: when any two schools or school systems compete for student enrollment.
7. **Educational Marketplace:** A geographic area that encompasses various forms of educational systems that are available for parents to choose.
8. **Large school district in Texas:** For the purposes of this study: school districts that have greater than 40,000 students.
9. **Mid-size school district in Texas:** For the purposes of this study: school districts that have between 10,000 and 40,000 students.
10. **Marketing Public Schools:** The intentional planning of promotional and informational activities designed to retain current enrollment and to recruit new enrollment into a public school system.
11. **Suburban School District:** For the purposes of this study this term means a district that has strong elements of neighborhood schools in suburbs within the geographic area of the district's attendance zone.
12. **School Leader:** A district leader or campus leader that has decision making authority that can positively or negatively impact enrollment in the school or district.
13. **Perception:** a particular way of believing something to be true.
14. **PEIMS:** Public Education Information Management System: the system for school data collection and management in Texas.

15. Regional Education Service Center: “Since the creation of regional education service centers in 1965 Texas’ 20 ESCs have played an integral role in the provision of necessary and essential services to school districts and charter schools in the implementation of school reform and school improvement” (“Texas System of Education Service Centers,” n.d.).

16. Economically Disadvantaged: An economically disadvantaged student is defined as one who is eligible for free or reduced-price meals under the National School Lunch and Child Nutrition Program (“TEA, Accountability Research: Data Search,” 2007)

Organization of the Study

This study was organized into five chapters. Chapter I states the problem to be studied, the purpose, significance, and limitations of the study, and the key research questions. Included in Chapter I were the definitions of terms that were used for the purposes of this study. Chapter II contains a review of the literature in the field of School Choice in the United States and Texas, competition in the educational market place, and public school marketing. Chapter III provides an outline of the methodologies of this study and the data collection instruments and procedures for the descriptive data and for the interview portion of the study. Chapter IV provides answers to the key research questions, and Chapter V gives a summary, draws conclusions, and makes suggestions of further studies that could benefit educational leadership and scholarship.

Chapter II

Review of Literature

The generic term “school choice” can mean many things in many contexts. The purpose of this review of literature is to define the various concepts of school choice in a national and historical context and to establish the meaning of school choice as it specifically relates to Texas. This review also elucidates the relevant discussions of public school responses to school choice and competition through the intentional marketing of public schools in a national context.

Although there is scholarly literature on marketing of public schools in certain states and in a national context, there is a dearth of literature on the subject regarding Texas. This review presents what scholarly discussions are available regarding the marketing of public schools, and this study increases the knowledge base for school leaders by addressing the gap in the literature as it relates to marketing public schools in Texas.

Historical Perspectives of Public and Private Schools in America

Some would argue that the concept of school choice, or parental control in selecting schools for children, was canonized in America in 1955 by Nobel laureate economist, Milton Friedman. Before discussing Friedman, the historical context of the development of American public schools must be established. It is curious that the framers of the Constitution make no mention of education in any of the original articles or in any of its twenty-seven amendments. Because the Constitution did not make education a responsibility of the federal government, the question remained in colonial America, who had the obligation to develop an educated populous? Was it a purely

parental responsibility, the church's responsibility, or the state or local governments' obligation?

Prior to compulsory education taking root in America there were various models of educating our children that existed in each State; communities educated children privately through religious or charitable organizations by charging tuition, receiving donations, or both. Secular, for profit schools also existed in the absence of government sponsored educational systems. These various forms of schooling are commonly referred to as Private Schools because they are not directly or entirely sponsored or funded by the government. Schools supported partially by local or state governments were established in the nineteenth century and grew in number as the foundation of the public school system in America.

In the mid nineteenth century the idea of creating "common schools" that would standardize the education of a nondenominational Christian populous took root. Sister Dale McDonald (2001) writes, "Originating in the 1830's, the common school movement purported to serve distinct social and political goals: a common body of knowledge was to be transmitted in a common schoolhouse" (p. 11). It must be noted in American education history that at one time public education systems and religion were inextricably tied together. According to Joel Spring (1990), author of a multi-edition history of American schools, early public schools, as embodied in the common school movement, incorporated religion with a purpose.

In the public schools, the social ideals embodied in Protestantism and the Social Gospel converged to shape a common moral and religious ideal to produce a political consensus. Schooling was seen as an instrument of government that

would decrease political and social conflict and shape the culture of a new nation.
(p. 74)

In the 1830's half of the states in the union offered some funding for "common schools" and also offered some funding for private parochial schools. As Spring stated, the common school movement, considered the early forerunner of public schools, had a nondenominational yet strong Protestant religious influence. David Tyack (1967), in *Turning Points in American Educational History*, describes "The Common School Crusade" as a movement by educational reformers in the mid- 19th century. "The chief contribution of the common school reformers was to articulate and focus the generalized American belief in education and to make it relevant to the aspirations and anxieties of the age"(Tyack, 1967, p. 124). One important distinction that Tyack establishes is that "common schools" were to be public schools and not privately funded. He concludes,

Only a school which was public, free, of the highest quality, and which inculcated individual and civic virtue could vindicate American faith in education. With this educational creed the American people agree – not everywhere, not everyone, not at the same time, but gradually and with increasing conviction. An institution was born. (p. 125)

In summary, the common school movement was both the forerunner and the model of the system for local and state government supported, free, public education in the 1800's; however, it is worth noting that in opposition to this movement Catholic private schools proliferated throughout the United States from the mid nineteenth century. According to John Pulliam in his fourth edition of *History of Education in America* (1987), it was difficult to cite exact enrollment figures in public or private schools prior to 1900 because there were not any standardized reporting methods available (p. 105). Pulliam (1987)

asserts, "...it is clear that very rapid growth took place between 1860-1900. In the latter year, about ninety percent of the American secondary school students attended public high schools" (p. 105). At the turn of the century there were, however, over 3000 Catholic parochial schools and more than 300 Catholic high schools in the nation (p.106). With regard to other religiously based schools Pulliam adds,

The largest number of non-Catholic parochial schools were founded by the Lutheran Church. There were also schools created by Quakers, Jews, and other religious groups. Much smaller in numbers than the Catholic schools, these sectarian efforts nevertheless provided alternative educational opportunities for students in many parts of the nation. (p. 106)

Compulsory Education and Government Funding of Public and Private Schools

By the 20th century there was significant debate regarding the nature of funding that state governments would provide to private and public schools. "Historically, debates about the right of parents in determining the type of education their children receive have centered around two concepts: compulsory government education and the financing of alternatives" (McDonald, 2001, p. 10). "Compulsory government education", as McDonald coins it, has only been formalized in the United States since the late 19th and early 20th century. In an article for a Washington D.C. based conservative think tank, Freedom Works, author Hayden Smith encapsulates the history of government sponsored compulsory education in the United States in a few brief thoughts.

Compulsory education does not have a terribly long tradition in either England or the United States. Not until the late 19th century did either of these countries establish their first compulsory education laws. Children in the early 19th century were largely homeschooled or apprenticed to tradesmen. It was not until the

1840's that compulsory education first gained popular support. Leading the way, Massachusetts passed the first compulsory education law in 1852. As Progressive ideology gained popularity in the late 19th century other states were quick to follow suite. By 1917 every state in the Union had adopted compulsory education laws. (Smith, 2013)

By the early 20th century compulsory education laws existed in every state, and in some states there was an effort to legislatively mandate that all students must attend public schools. Some states' compulsory education laws attempted to replace all forms of private school and consequently eliminate opportunities for parental choice in schools. One such law in Oregon led to a landmark Supreme Court case, *Pierce v. the Society of Sisters* (1925). In this case Oregon had passed The Compulsory Attendance Act that required all school aged students between 6-16 years old to attend only public schools. The Society of Sisters, which offered a parochial school, filed suit against the law and the case was decided by the U.S. Supreme Court. The Supreme Court found the Oregon law unconstitutional citing that it violated a parent's right to make choices regarding their children's education, and that it violated the parochial school's right to exist as a business. McDonald cites the importance of this court case in the history of American education.

Although frequently cited as the landmark case that validated the existence of private schools in the United States, it was not the beginning of private education. Rather, it conferred legal standing on the exercise of parental rights....” In effect, that decision established a dual system of schools in the United States by protecting the right of the nonpublic schools to exist and the freedom of parents to choose from among alternatives for their children. The decision did not address

the controversy surrounding the question of whether or not there would be public financial support for the choices exercised by parents in educating their children.

(McDonald, 2001, pp. 10–11)

In 1934 Wilson and Kandel published a book *titled Introduction to the Study of American Education*. In this study the authors draw distinctions between public and private religious schools in the early twentieth century.

Although the provision and maintenance of education in the United States is in the main under the direction of public agencies and the majority of the pupils and students enrolled in educational institutions attend public school, private institutions are found and flourish at all levels. The public authorities do not seek to maintain a monopoly in education, nor are private schools, whether they are conducted for profit or as endowed or chartered institutions, penalized in any way by the creation of any distinction between official and non-official degrees, diplomas or other certificates. (p. 295)

The authors noted that even in the early twentieth century there was parental advocacy for school choice and de facto requests for governmental funding of school choice options for parents.

Few attempts have been made by private school authorities or patrons to obtain support from public funds for such schools. Much agitation has, however, been carried on, particularly by supporters of parochial schools, for legislation that would give parents of children of school age an option between paying taxes for the support of public schools and contributing a similar amount to the support of private schools. No legislation or judicial decision has ever given this right. (p. 306)

In the historical context of the 1934 publication date of this study it is imperative to note school choice is not a concept new to the modern debate on public funding for various forms of education. Wislon and Kandel (1934) go on to describe that there was some regulation of private schools by public educational authorities in many states in the early twentieth century.

Twenty-nine states have definite legislation in respect to the curricula of private schools... Eleven states have specific requirements as to the qualifications of teachers employed in private schools to instruct pupils of compulsory school age. Twenty-three states provide for some contact between public educational authorities and privately conducted schools. These provisions vary from a simple requirement that statistical reports be made by private institutions to a public office, to supervision by public officials, and the compulsory inclusion of a minimum curriculum prescribed by public authority. (p. 307)

These state regulations were not coupled with state or local funding for private schools and were not consistent between states or between public educational entities.

Until the 1960's and 1970's some states did provide funding to parochial schools for secular activities such as transportation and lunch programs for economically disadvantaged students, but that overlap between public funds and private schools eventually ended. The First Amendment "Separation Clause" has been at the center of several elements of the school choice debate for many decades in American History, and state funding for private parochial schools has continued to be a polarizing topic. The First Amendment reads, "The First Amendment to the United States Constitution prohibits the making of any law respecting an establishment of religion." There are several key Supreme Court Cases that have shaped the modern interpretation of the

concept of “separation of church and state” in education. This term “separation of church and state” was originally coined by Thomas Jefferson as he referred to the First Amendment in a letter he wrote during his Presidency in 1802. Jefferson wrote, “...I contemplate with the sovereign reverence that act of the whole American people which declared that their legislature should ‘make no law respecting an establishment of religion, or prohibiting the free exercise thereof,’ thus building a wall of separation between church and State” (“Jefferson’s Wall of Separation Letter - The U.S. Constitution Online - USConstitution.net,” n.d.). This quote has been referred to frequently in the national debate on governmental funding for education.

In 1947 in *Everson v. Board of Education* the Supreme Court supported government funded refunds to the parents of both public and private parochial schools.

“In *Everson*, the Court narrowly upheld a law providing reimbursement of the costs for bus transportation to the parents of parochial school children. The Court stressed that the aid went to parents, not directly to religious schools. Similarly, in *Bd. of Educ. v Allen (1968)*, the Court upheld a law loaning textbooks free of charge to the students in private schools, again pointing out “no funds or books are furnished to the parochial schools, and the financial aid is to parents and children, not schools. (Linder, 2011)

In both cases the Supreme Court made it very clear in its opinions that the funding was permissible because it was not directed to the private parochial schools and it was not an act of the government supporting the establishment of religion. In later cases the Supreme Court was very demonstrative in ruling against government providing funding for parochial schools even when the parochial school is teaching a secular subject. “In *Lemon v Kurtzman (1971)*, the case giving rise to the famous three-part “Lemon” test that

would find application in decades of establishment clause cases, the Court struck down a state law reimbursing nonpublic schools for portions of teachers' salaries and instructional materials” (Linder, 2011). This landmark case set the tone for future considerations of government funding of private parochial schools by spelling out the three required considerations for actions that meet the separation of church and state clause. *In Lemon v. Kurtzman (1971)* the Supreme Court decision defines the Lemon test and the judicial stance on separation of church and state as delivered in the majority opinion of Chief Justice Burger:

In the absence of precisely stated constitutional prohibitions, we must draw lines with reference to the three main evils against which the Establishment Clause was intended to afford protection: "sponsorship, financial support, and active involvement of the sovereign in religious activity. The statute must have a secular legislative purpose; second, its principal or primary effect must be one that neither advances nor inhibits religion, finally, the statute must not foster an excessive government entanglement with religion.” (“*Lemon v. Kurtzman*,” n.d.)

These landmark judicial decisions established a clear separation of church and state in the funding of parochial private schools, and defined two distinct American educational systems, Public Schools and Private Schools.

Defining School Choice in Modern America – Friedman’s Perspective

In 1955, Nobel laureate economist, Milton Friedman began to frame the national debate on educational choice for American parents in his seminal treatise “The Role of Government in Education”. In this essay Friedman argued against the government funding and administering of public education as a “natural monopoly” and laid out an

argument for creating a voucher system in America. He also attempted to address the counter arguments against a voucher school choice system. In the essay he writes,

The alternative arrangements (voucher system) whose broad outlines are sketched in this paper distinguish sharply between the financing of education and the operation of educational institutions, and between education for citizenship or leadership and for greater economic productivity. Government, preferably local governmental units, would give each child, through his parents, a specified sum to be used solely in paying for his general education; the parents would be free to spend this sum at a school of their own choice, provided it met certain minimum standards laid down by the appropriate governmental unit. Such schools would be conducted under a variety of auspices: by private enterprises operated for profit, nonprofit institutions established by private endowment, religious bodies, and some even by governmental units. (Friedman, 1955)

In 1996 The Friedman Foundation for Educational Choice was established in order to push four decades of work by Milton Friedman and his wife, economist Rose Friedman, into the forefront of the national debate. When stating their purpose for establishing the foundation Mr. and Mrs. Friedman wrote, “The interjection of competition (by school choice systems) would do much to promote a healthy variety of schools. It would do much, also, to introduce flexibility into school systems” (Friedman & Friedman, n.d.).

The foundation also specifically defines school choice by describing it as, “...a common sense idea that gives all parents the power and freedom to choose their child’s education, while encouraging healthy competition among schools and other institutions to better serve students’ needs and priorities” (“What is School Choice?,” n.d.). The foundation attempts to make the national school choice debate a moral issue by criticizing the current

method of funding public education based on local and state tax dollars and the limitation of parents to choose schools based on their residency. When defining school choice the foundation proposes, “It is immoral that the quality of schooling is based on the value and location of your home. School choice gives parents the freedom to choose a school based on its quality and their child’s needs, not their home address (“What is School Choice?,” n.d.). The foundation also capitalizes on the widely publicized sentiment that the public school system in the United States is inefficient and ineffective by stating,

Today, schools generally do not function in a way that can effectively meet the specific needs and priorities of every unique child. School choice forces all schools – public and private – to compete and innovate in order to offer the best education possible to attract and retain students. (“What is School Choice?,” n.d.)

The Friedman Foundation is only one of a multitude of efforts to define and expand the concept of school choice and competition between public schools and other educational offerings in America. Various Forms of School Choice – Vouchers

School Choice has many forms in the landscape of American educational opportunities for elementary and secondary students and their parents. Since colonial times parochial (sectarian), non-profit, and for profit private schools have existed. The debate for public governmental funding for these schools continues, but enrollment in private schools has fluctuated in the last two decades. According to the National Center for Educational Statistics (2011) enrollment in public schools has increased consistently while private school enrollments have actually declined approximately 4% since 1985. Table 1 compares public elementary and secondary enrollment with private elementary and secondary enrollment from 1985 to 2011 (“Digest of Education Statistics, 2011 - Introduction,” 2011).

Enrollment in Private schools in the Fall 2011 was approximately 10% of total enrollment in the United States. In the Fall of 2011 of the estimated 54.7 million enrolled students, approximately 5.32 million were enrolled in private schools.

Table 1
Enrollment in educational institutions, by level and control of institution (In Thousands)

| Year | Elementary and secondary, total | Public elementary and secondary schools | | | Private elementary and secondary schools\1\ | | |
|-----------|---------------------------------|---|-----------------------------------|---------------------|---|-----------------------------------|---------------------|
| | | Total | Prekinder- garten through grade 8 | Grades 9 through 12 | Total | Prekinder- garten through grade 8 | Grades 9 through 12 |
| 1 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Fall 1985 | 44,979 | 39,422 | 27,034 | 12,388 | 5,557 | 4,195 | 1,362 |
| Fall 1986 | 45,205 | 39,753 | 27,420 | 12,333 | 5,452 | 4,116 | 1,336 |
| Fall 1987 | 45,488 | 40,008 | 27,933 | 12,076 | 5,479 | 4,232 | 1,247 |
| Fall 1988 | 45,430 | 40,189 | 28,501 | 11,687 | 5,242 | 4,036 | 1,206 |
| Fall 1989 | 46,141 | 40,543 | 29,150 | 11,393 | 5,599 | 4,468 | 1,131 |
| Fall 1990 | 46,864 | 41,217 | 29,876 | 11,341 | 5,648 | 4,512 | 1,136 |
| Fall 1991 | 47,728 | 42,047 | 30,503 | 11,544 | 5,681 | 4,550 | 1,131 |
| Fall 1992 | 48,694 | 42,823 | 31,086 | 11,737 | 5,870 | 4,746 | 1,125 |
| Fall 1993 | 49,532 | 43,465 | 31,502 | 11,963 | 6,067 | 4,950 | 1,118 |
| Fall 1994 | 50,106 | 44,111 | 31,896 | 12,215 | 5,994 | 4,856 | 1,138 |
| Fall 1995 | 50,759 | 44,840 | 32,338 | 12,502 | 5,918 | 4,756 | 1,163 |
| Fall 1996 | 51,544 | 45,611 | 32,762 | 12,849 | 5,933 | 4,755 | 1,178 |
| Fall 1997 | 52,071 | 46,127 | 33,071 | 13,056 | 5,944 | 4,759 | 1,185 |
| Fall 1998 | 52,526 | 46,539 | 33,344 | 13,195 | 5,988 | 4,776 | 1,212 |
| Fall 1999 | 52,875 | 46,857 | 33,486 | 13,371 | 6,018 | 4,789 | 1,229 |
| Fall 2000 | 53,373 | 47,204 | 33,686 | 13,517 | 6,169 | 4,906 | 1,264 |
| Fall 2001 | 53,992 | 47,672 | 33,936 | 13,736 | 6,320 | 5,023 | 1,296 |
| Fall 2002 | 54,403 | 48,183 | 34,114 | 14,069 | 6,220 | 4,915 | 1,306 |
| Fall 2003 | 54,639 | 48,540 | 34,201 | 14,339 | 6,099 | 4,788 | 1,311 |
| Fall 2004 | 54,882 | 48,795 | 34,178 | 14,618 | 6,087 | 4,756 | 1,331 |
| Fall 2005 | 55,187 | 49,113 | 34,204 | 14,909 | 6,073 | 4,724 | 1,349 |
| Fall 2006 | 55,307 | 49,316 | 34,235 | 15,081 | 5,991 | 4,631 | 1,360 |
| Fall 2007 | 55,203 | 49,293 | 34,205 | 15,087 | 5,910 | 4,546 | 1,364 |
| Fall 2008 | 54,973 | 49,266 | 34,286 | 14,980 | 5,707 | 4,365 | 1,342 |
| Fall 2009 | 54,862 | 49,373 | 34,418 | 14,955 | 5,488 | 4,179 | 1,309 |
| Fall 2010 | 54,704 | 49,306 | 34,637 | 14,668 | 5,398 | 4,092 | 1,306 |
| Fall 2011 | 54,746 | 49,422 | 34,892 | 14,530 | 5,324 | 4,057 | 1,266 |

SOURCE: U.S. Department of Education, National Center for Education Statistics, Annual Report of the Commissioner of Education

The numbers of private school students in America peaked in 2001 at 6.3 million students enrolled up from 5.6 million in 1985. Private school enrollment estimates for 2011 had declined to 5.3 million students. Some proponents of voucher programs would argue that

the barriers for enrollment into private primary and secondary schools are primarily economic and this would explain the decline. School choice proponents call for support for parental choice through vouchers or tax credits that could be used for tuition and other costs associated with enrollment in private schools.

There are various forms of vouchers that are being created and implemented at both local and state levels. To date there is no federal legislation that requires or allows any form of education voucher sponsored by the federal government for use in states. In the simplest terms vouchers are funds that would have been given to a public school that the government gives directly to a family to spend at an approved public or private school for tuition and other costs of education. There are many different ways that this can be implemented. Andrew Coulson has written prolifically on the subject of school choice and a free market system for education. He described vouchers in general terms but acknowledged some significant variations in vouchers in a study he wrote for the Mackinac Center.

Under voucher programs, the state provides money to parents to defray some or all of their children's tuition at the government-approved school of their choice. Typically, voucher programs permit parents to choose from among government-run schools and private schools that adhere to certain rules. True voucher programs deliver a physical check to parents which is then signed over to and redeemed by their chosen school. Voucher programs and proposals also vary in a number of other specifics. Under some programs, vouchers must be accepted as full payment of tuition by participating schools, while under others schools can charge tuition in excess of the voucher amount. Sometimes the voucher amount is

uniform for all children, and at others it varies based on financial need, student disability, or other considerations. Some programs have relatively liberal school participation criteria, while others exclude profit-making, religious, or other sorts of schools and impose extensive curriculum, testing, and admissions requirements. (Coulson, 2004, p. 1)

The general concept is that a parent would have the opportunity to make a choice of where their child would be educated that would not be dictated by the attendance zones of their local public school district. In theory this allows parents to become true consumers in the education market place and potentially creates an environment of competition among various forms of schools. The Friedman Foundation defines vouchers in a similar way,

Vouchers give parents the freedom to choose a private school for their children, using all or part of the public funding set aside for their children's education. Under such a program, funds typically expended by a school district would be allocated to a participating family in the form of a voucher to pay partial or full tuition for their child's private school, including both religious and non-religious options. ("What is School Choice?," n.d.)

Friedman argues that this voucher would benefit parents who had previously paid both taxes and private school tuition without any government financial support for their children's education. In 2013, there were only nine states offering fifteen school voucher programs. Of the fifteen voucher programs nine of them were specifically for students with special needs. Voucher programs have been met with varied public reaction receiving both praise and significant legal challenges. For example, in the summer of

2013 the Louisiana Supreme Court ruled that the Student Scholarship for Educational Excellence voucher program violated school funding law and the state constitution. In an effort to continue the program Governor Bobby Jindal appropriated funds for the vouchers from another state source. In August of 2013 the U.S. Department of Justice, led by Attorney General Eric Holder, challenged the tuition voucher program with claims that it created racial segregation in Louisiana schools and filed a challenge in a federal district court in New Orleans. The details of the Louisiana voucher program were described in a Wall Street Journal article.

Approved by state lawmakers in 2012, Louisiana's voucher program is aimed at families with incomes below 250% of the poverty line – or below about \$70,000 for a family of five – and are enrolled in schools that receive a low grade on the state's "accountability scale." The state has awarded vouchers to more than 8,000 students since the statewide program debuted in the fall of 2012. (Gersham, 2013)

The legal challenge by the Department of justice is unique in that it does not base the concern on the separation clause, but rather in concerns regarding forty year old federal desegregation efforts in Louisiana schools.

Most legal challenges to voucher programs at the state level have continued to be centered on the constitutionality of government provided vouchers being issued for use in private schools with religious affiliation. Many states have nomenclature in their state constitution that specifically prevents state funds from supporting religious organizations. These amendments are commonly called "Blaine Amendments" after Representative James Blaine who in 1875 proposed a narrowly defeated U.S. constitutional amendment prohibiting the use of government funds for sectarian religious purposes. "Today, 37

states have provisions placing some form of restriction on government aid to "sectarian" schools and their equivalents that go far beyond any limits in the U.S. Constitution" ("What are Blaine Amendments," 2008). Although the historical context of Blaine Amendments original intent was seen as anti-Catholic or anti-"sectarian", these state constitutional amendments are the foundation of many of the legal challenges that have limited the expansion of voucher programs in the United States.

Various Forms of School Choice – State Tax Credits

There are other school choice programs in several states that are contributing to an increasing competition in the education marketplace that have not met with the same intensity of legal challenges. One type of program that has received more attention recently as a legally sound alternative to vouchers is based in tax credits for individuals and corporations that make donations to state approved scholarship programs for school choice. Fourteen states had a more than twenty tax credit programs for corporations and individual donors as of 2013. The states that had one or more tax credit program(s) for corporations or individuals that donated money to approved non-profit scholarship organizations were: Alabama, Arizona, Florida, Georgia, Iowa, Indiana, Louisiana, New Hampshire, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Virginia, and Wisconsin. The amount of tax liability credit for corporations or individuals varied from state to state ("The-ABCs-of-School-Choice---2013-edition.pdf," n.d.). The amount of scholarship benefit to individual students that would be awarded by state approved 501(c)(3) scholarship organizations also varied widely.

Each state program varies in the number of approved scholarship granting organizations, the amount of corporate or individual tax credit available, the total amount

of tax credits that the state awards, the student eligibility requirements, and the amount of scholarships that can be awarded. For example, the Alabama Accountability Act of 2013 School Choice Scholarship program allowed corporations to claim a 100 percent tax credit on up to 50 percent of their tax liability to contributions to an approved Scholarship Granting Organization (SGO). Individuals could receive up to \$7500 in tax credits for contributions to an approved SGO. The statewide cap for tax credits for both individuals and corporations for each year is 25\$ million in Alabama. Student eligibility for the program is based on household family income which could not be more than 150 percent of the Alabama median household income and 200 percent of the annually established federal poverty level for a family of four. The student could be between 2-19 years of age, but only students zoned to labeled low-performing schools are able to use the scholarships for tuition to public charter or private schools. The scholarship award cannot be more than full tuition and is determined by the SGO. Because the program was new in 2013 there was no data available on the number of students and the average amount of scholarships that were awarded by SGO's.

Some states, such as Arizona, capped the amount of the scholarship award based on grade level. Students in grade K-8 could receive up to \$4800 in scholarships while students in grades 9-12 can receive up to \$6100. In 2011 the Arizona had 4,693 students from 190 schools participating with 14 different scholarship organizations awarding an average scholarship of \$2,077 (The Friedman Foundation for Educational Choice, 2013). The cap for tax credits to corporations in the Arizona program was at \$10 million annually with a 100 percent tax credit for the contribution. Another Arizona Tax credit program called Lexie's Law Corporate Tax Credits was capped at \$5million annually.

The value of each scholarship for students in this program was more robust at ninety percent of the state's average per pupil spending of \$7968, but to qualify the student must receive services under the Individuals with Disabilities Education Act (IDEA), Section 504 of the Rehabilitation Act, or be in the Arizona foster care system. Arizona has three different tax credit programs offered to individual tax payers and corporate contributors. As these popular tax credits expand to larger amounts of contributions that lead to greater awards of scholarships to more students in Arizona and Alabama, competition between low performing public schools and private schools will continue to increase. The implication is that if low performing schools in these states do not engage in significant effective reform efforts, the loss of market share of student enrollment could have a negative impact on available state funding to these public schools. Competition and a more open educational market place will force public schools to take decisive action to maintain their market share of student enrollment.

Florida's Tax Credit Scholarship Program was launched in 2001 and by 2013 served almost 51,000 low-income students from over 1,300 public schools. Scholarships could not exceed private school costs with 75% of the \$4,106 scholarship being used for tuition. The remaining amount could be used for textbooks and transportation costs. The total annual tax credit cap was a significant state commitment at \$229 million in 2013. New Hampshire's School Choice Scholarship which began in 2013 offered a maximum scholarship of \$2500 except in the case of special education students who must receive at least \$4375 in scholarships. Before the program was able to begin it was challenged in court. The concern was that the scholarships could be used in private parochial schools

and that this was a violation of the state's version of the separation clause or Blaine Amendment.

On June 17, 2013, the Strafford County Superior Court ruled New Hampshire's tax-credit scholarship program unconstitutional under the state constitution's "No-Aid Clause" because it allowed scholarship funds to be given to students attending religious schools. The judge's ruling did not completely strike down the program, however, ruling that the tax-credit scholarships could still be used by students to pay tuition at secular nonpublic schools and out-of-district public schools, or to pay homeschooling costs. The decision is expected to be appealed to the New Hampshire Supreme Court. ("New Hampshire School Choice Scholarship Program," 2013)

If the law suit prevails the implication is that scholarships will not be permitted to be used at parochial schools. Based on precedent in the U.S. Supreme Court it seems unlikely that the law suit will prevail; however, the program does foster a broader educational market place and increases competition between public schools and private secular schools.

As of 2013 there were also four states that provided tax credits to individual families for educational expenses including tuition and books and other educational supplies for both private and public schools. These states were North Carolina, Minnesota, Louisiana, and Alabama. While three of these programs were less than five years old in 2013, the Minnesota *K-12 Education Subtraction* program has been in existence since 1955. The Minnesota program also holds the distinction of being upheld as constitutionally sound by the landmark U.S. Supreme Court case *Mueller v. Allen*

(1983). The program was challenged on the basis that the funds being used by families were permitted to pay tuition and other expenses related to education in private parochial or sectarian schools. The contention was that this was a violation of the separation clause in the first amendment. One summary aptly captures the argument and resolution in the majority opinion offered by the U.S. Supreme Court on the question of how tax credit program funds can be used by parents in Minnesota.

In Mueller v. Allen, the United States Supreme Court held that a specific type of state aid to non-public schools was constitutionally permissible. In holding that the statute at issue did not violate the establishment clause, the Court applied the *Lemon* three-part test in a substantially different way, minimizing the level of scrutiny required under both the primary effect test and the entanglement test. The case, however, does not reject the former standard of scrutiny required in the *Lemon* test. Instead the case illustrates how a *Lemon* analysis changes when it reaches certain limits. In *Mueller*, the Court has revealed another exception to the strict *Lemon* standard. Rather than analyzing the nature of the institution, this exception is based on the nature of the benefit when the benefit to religion becomes highly attenuated a strict *Lemon* analysis is no longer necessary. By establishing boundaries for a strict *Lemon* analysis, the Court recognized the absurdity of blindly adhering to a strict test when the risks of establishing religion have become minimal. Defining the limits of the strict *Lemon* test entails an arbitrary line-drawing process, but the line drawn between tax deductions and other forms of aid is sensible. (Connolly III, 1984, p. 1000)

With *Mueller v. Allen* paving the way for constitutionally sound tax credit programs in 1983 the expansion of such programs became inevitable. Competition between private schools and public schools exists for families seeking financial support for choices in educational systems.

The fourteen states that offer tax credit programs vary widely in the restrictions that are placed on the private schools that can receive tuition payments through these scholarship programs. North Carolina's program has no regulations on receiving private schools where as Pennsylvania does have some regulations on which private schools can receive scholarship students. "The program fares well on school regulations; there are no testing requirements, admission requirements, and all private schools can qualify as long as they satisfy the state's mandatory attendance requirements and obey the Civil Rights Act of 1964" ("The-ABCs-of-School-Choice---2013-edition.pdf," n.d., p. 69) Some states are somewhat restrictive on private schools and particularly religiously oriented schools. Several states, including Wisconsin, require an opt out agreement that allows students to use scholarships to attend a religious private school but only if the receiving school will exempt them from required religious activities if they chooses to opt out of the activities. Several states also require that the private school meet all state health and safety requirements that public schools must meet and that participating private schools annually test students on either nationally normed tests or the state mandated standardized tests. For example, Louisiana's Tax Credit for Donations to School Tuition Organizations program requires that participating private schools administer the state's standardized tests for math, reading and writing for all grades tested. Requirements such as these can be restrictive and limit the number of private schools that are willing to

participate. In turn, this will limit the amount of school choice that scholarship receiving families will have in a state with significant restrictions.

The aggregate implication of each of these tax credit programs is clear; the states participating are encouraging competition between low performing public schools and a wide array of approved private schools. So much so that states are willing to forgo tens of millions of dollars in corporate and individual tax revenues in order to allow transfers from public schools to private schools and create an environment of greater freedom of choice in the educational market place. The question remains, what are public school systems doing to compete in this new era of competition?

Vouchers or Tax Credits – A Free Education Market Place

Both vouchers and tax-credit programs offer school choice options and increased competition between public schools and other school systems, however, some critics argue that there is an unintended consequence of greater government regulation of private schools. The result of this increased regulation of private schools could limit free market forces. One critic purports,

School voucher and education tax credit programs have proliferated in the United States over the past two decades. Advocates have argued that they will enable families to become active consumers in a free and competitive education marketplace, but some fear that these programs may in fact bring with them a heavy regulatory burden that could stifle market forces. (Coulson, 2010)

Although Andrew Coulson argues in support of both vouchers and tax-credits in broadening choices for access to quality education, in his statistical analysis of the amount of government regulation brought to private schools by these programs he came

to a significant conclusion. “The study concludes that vouchers, but not tax credits, impose a substantial and statistically significant additional regulatory burden on participating private schools” (Coulson, 2010, p. 1). The “regulatory burdens” vary from state to state for voucher programs but can include requiring private schools to be accredited by the state or other agency, use state approved curriculum, state mandated standardized testing, and state teacher certification requirements. These are limits that private schools have been free of prior to vouchers. These restrictions can have two effects: private schools will come under increasing scrutiny of state education agencies or many established private schools will opt out of accepting vouchers. As Coulson suggests, the burden of regulations limits the freedom of the educational marketplace and potentially limits the amount of choice and competition that it was designed to create.

Of the seventeen active state voucher programs in 2014 ten of them were dedicated to students with special needs. In contrast, only three of the more than twenty tax credit programs were specifically designed for special education students, however Pennsylvania and Rhode Island offer tax credit scholarships that serve both low income and special needs students. About half (ten) of the tax credit programs active in 2014 were specifically designed for low income students but only three of the tax credit programs required the student receiving a scholarship to reside in the attendance zone of a low performing public school. By contrast, of the seventeen voucher programs all seven of the (non-special education) programs that are for the general student population are targeting low-income families. Of the seven programs three of them also require that the student live in a district or school zone that is low performing by the state’s standards (“School Choice Programs | The Friedman Foundation for Educational Choice,”

n.d.). In summary, vouchers are both more restrictive regarding regulations for schools and more limited in the number and categories of students that can be impacted in a state. In contrast, Tax credits, in the various forms are offered to greater numbers and types of students with much less restriction (if any) on the receiving schools. For public schools greater competition will come through tax credit scholarship programs as they expand in our states.

Various Forms of School Choice – Charter Schools

Charter Schools are a government funded secular form of school choice that has expanded rapidly in America in the last two decades. As of 2013 there were 41 states that have legislation authorizing public school charters. Charter schools are established with less restrictions and formal government regulation than traditional public schools. The intent is that charter school systems have the freedom and flexibility to engage in innovative practices that will close achievement gaps and increase the academic success of students. The National Charter School Resource Center (an extension of the U.S. Department of Education) defines state charter schools succinctly, “Charter schools are publicly funded, independently operated schools that are allowed to operate with more autonomy than traditional public schools in exchange for increased accountability. In 1991, Minnesota became the first state to pass a charter school law (“Understanding Charter Schools,” n.d.). The National Center for Education Statistics (NCES) elaborates with further detail by saying,

A public charter school is a publicly funded school that is typically governed by a group or organization under a legislative contract or charter with the state or jurisdiction. The charter exempts the school from selected state or local rules and

regulations. In return for funding and autonomy, the charter school must meet the accountability standards articulated in its charter. (“Charter School Enrollment,” 2013)

Charter programs are unique to each state in the number of charters that are awarded, the number of schools that can operate under each charter, the duration of the charter and how the charter will be administered and monitored. In 1994 federal legislation created the Charter School Program (CSP) in the U.S. Department of Education; the program was expanded with the No Child Left Behind Act of 2001. The purpose of the CSP and federal support for this form of school choice was well defined by the guidance report.

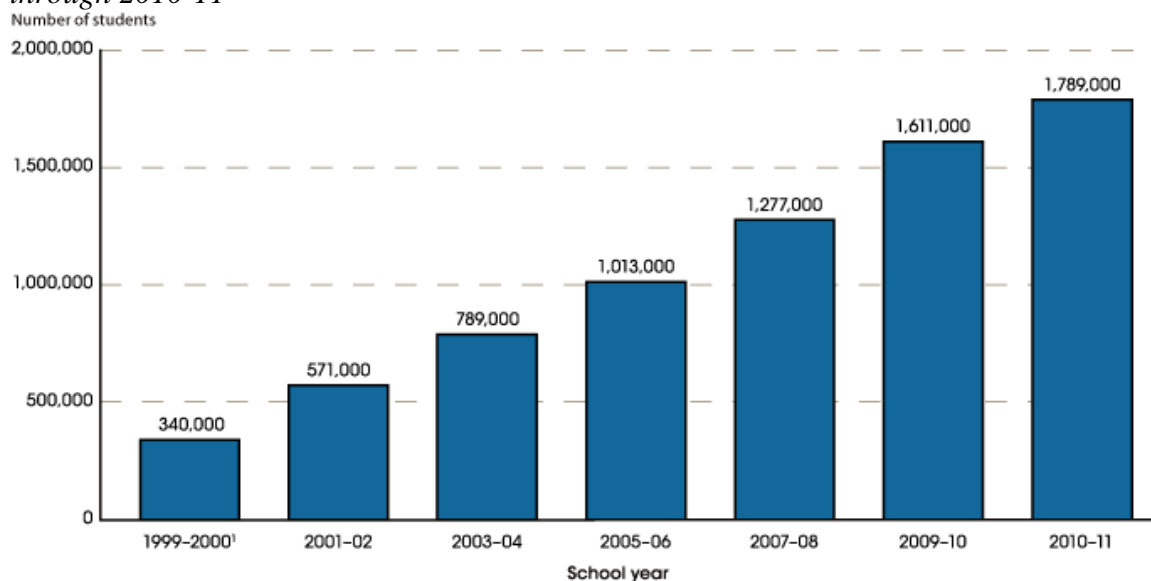
The program, which provides support for the planning, program design, and initial implementation of charter schools, is intended to enhance parent and student choices among public schools and give more students the opportunity to learn to challenging standards. Enhancement of parent and student choices will result in higher student achievement, however, only if sufficiently diverse and high-quality choices, and genuine opportunities to take advantage of those choices, are available to all students. Every student should have an equal opportunity to attend a charter school. (U.S. Department of Education, 2004, p. 1)

With support at both the state and federal level for the expansion of charter schools the growth of the number of charters, number of schools, and enrollment numbers have increased dramatically in the last decade. In Table 2 the enrollment in public charter schools is tracked from 1999 to 2010-11. From 1999-2003 enrollment more than doubled as programs expanded across the nation. Again enrollment doubled between 2003 and

2009. The last year of NCES enrollment data for public charter schools shows that there were almost 1.8 million students enrolled in America in 2010-11.

Table 2

Number of students enrolled in public charter schools: Selected school years, 1999-2000 through 2010-11



SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "Public Elementary/Secondary School Universe Survey," 1999-2000 through 2010-11. See *Digest of Education Statistics 2012*, [table 116](#).

According to the National Alliance for Public Charter Schools enrollment had swollen to 2.28 million students in 2013 which was 4.6% of all public school students in the nation. The organization also estimated that there were over 900,000 students on waiting lists for charter schools. As of 2013 there were an estimated 6,000 charter schools operating across the country ("The Public Charter Schools Dashboard," n.d.). In most states there are virtually no barriers for students to make this school choice other than enrollment space available. As the numbers of charter schools continue to grow this school choice option represents a significant loss of market share of enrollment and a negative financial impact to public school districts.

Various Forms of School Choice – Open Enrollment Policies

Another threat to budgets for school districts and individual schools lies in the open enrollment policies that exist in 46 states currently. The opportunity for an inter-district or intra-district transfer of enrollment creates true competition between public schools and public school districts. The only states that do not have a state policy or at least one school district with an open enrollment policy are Alabama, Maryland, North Carolina, and Virginia. There are various forms of open enrollment. Some states have policies that require districts to have inter and intra-district transfer policies; some states have policies that allow districts to determine if they will allow inter and intra-district transfers. Some states have legislated mandatory intra-district policies and voluntary inter-district policies, while others have the opposite policies. Without question these open enrollment policies vary significantly between states, and states with voluntary policies have variations from district to district. Any open enrollment policy potentially means schools and districts have an opportunity to both gain enrollment or lose enrollment. Some districts have embraced open enrollment policies as a cornerstone of their marketing plan and attempts to add students. Districts or schools that have low academic performance can be significantly impacted by open enrollment policies, and are compelled to make dramatic efforts to improve their students' academic performance. If they are not able to make improvements schools that lose significant enrollment will experience budget shortages and difficulty in maintaining staff and program offerings. Table 3 shows the extreme variations that existed as of 2011. ("Open Enrollment Policies by State," 2011)

Table 3

Numbers and types of state open enrollment policies, by state: 2011

| State | Number of open enrollment policies | Intradistrict mandatory | Intradistrict voluntary | Interdistrict mandatory | Interdistrict voluntary | Intradistrict mandatory and interdistrict mandatory | Intradistrict mandatory and interdistrict voluntary | Intradistrict voluntary and interdistrict voluntary |
|----------------------|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---|---|---|
| United States | 46 | 20 | 5 | 14 | 23 | 6 | 3 | 5 |
| Alabama | † | † | † | † | † | † | † | † |
| Alaska | 1 | Yes | No | No | No | No | No | No |
| Arizona | 1 | No | No | No | No | Yes | No | No |
| Arkansas | 2 | Yes | No | Yes | No | No | No | No |
| California | 2 | Yes | No | No | Yes | No | No | No |
| Colorado | 2 | No | No | No | No | Yes | Yes | No |
| Connecticut | 3 | No | Yes | Yes | No | No | No | Yes |
| Delaware | 3 | Yes2 | No | Yes | No | No | No | No |
| District of Columbia | † | † | † | † | † | † | † | † |
| Florida | 2 | Yes | No | No | Yes | No | No | No |
| Georgia | 3 | Yes | No | No | Yes | Yes | No | No |
| Hawaii | 1 | No | Yes | No | No | No | No | No |
| Idaho | 2 | Yes | No | No | No | No | Yes | No |
| Illinois | 1 | Yes | No | No | No | No | No | No |
| Indiana | 2 | Yes | No | No | Yes | No | No | No |
| Iowa | 1 | No | No | Yes | No | No | No | No |
| Kansas | 1 | No | No | No | Yes | No | No | No |
| Kentucky | 1 | No | No | No | No | Yes | No | No |
| Louisiana | 2 | No | No | No | Yes | Yes | No | No |
| Maine | 1 | No | No | No | Yes | No | No | No |
| Maryland | † | † | † | † | † | † | † | † |
| Massachusetts | 4 | Yes | No | No | Yes2 | No | No | No |
| Michigan | 3 | Yes | No | No | Yes2 | No | No | No |
| Minnesota | 1 | No | No | Yes | No | No | No | No |
| Mississippi | 1 | No | No | Yes | No | No | No | No |
| Missouri | 4 | No | No | Yes | Yes2 | No | No | No |
| Montana | 2 | No | No | Yes | Yes | No | No | No |
| Nebraska | 1 | No | No | Yes | No | No | No | No |
| Nevada | 2 | Yes | No | No | Yes | No | No | No |
| New Hampshire | 1 | No | No | No | No | No | No | Yes |
| New Jersey | 2 | No | No | No | Yes2 | No | No | No |
| New Mexico | 2 | Yes | No | No | No | No | No | Yes |
| New York | 2 | Yes | No | No | Yes | No | No | No |
| North Carolina | † | † | † | † | † | † | † | † |
| North Dakota | 1 | No | No | No | Yes | No | No | No |
| Ohio | 3 | Yes2 | No | No | Yes | No | No | No |
| Oklahoma | 2 | Yes | No | Yes | No | No | No | No |
| Oregon | 2 | No | No | No | Yes2 | No | No | No |
| Pennsylvania | 1 | No | No | No | Yes | No | No | No |
| Rhode Island | 1 | No | No | No | Yes | No | No | No |
| South Carolina | 2 | No | No | No | Yes2 | No | No | No |
| South Dakota | 2 | No | No | Yes | No | Yes | No | No |
| Tennessee | 2 | Yes | No | No | No | No | No | Yes |
| Texas | 3 | No | Yes | No | Yes | No | Yes | No |
| Utah | 2 | Yes | No | Yes | No | No | No | No |
| Vermont | 1 | No | No | No | Yes | No | No | No |
| Virginia | † | † | † | † | † | † | † | † |
| Washington | 2 | Yes | No | Yes | No | No | No | No |
| West Virginia | 3 | Yes | Yes | No | Yes | No | No | No |
| Wisconsin | 2 | No | No | Yes | No | No | No | Yes |
| Wyoming | 1 | No | Yes | No | No | No | No | No |

Texas and School Choice

Texas is not a state that has been at the forefront leading the charge of the school choice movement, but it is a state that has surprising statistics regarding the numbers of students moving out of public schools into other school systems. Texas is a large state with more than 1,000 public school districts and more than 8,000 public schools in 2013. The state had the second largest number of school aged children in 2013 estimated at 5.1 million students or 10% of the total number of students in the United States. Only California has more school aged children (“NCES Enrollment Projections by State,” n.d.).

Private schools in Texas. Although the Texas Education Agency does not have any oversight of private schools in Texas, it does have a relationship with the Texas Private School Accreditation Commission, which estimates that there were 825 recognized private school organizations operating in Texas in 2013. The Texas Education Agency has published the following information on their website for Alternative Schooling that is related to enrollment, accreditation, and oversight for private schools in Texas. This statement provides insight into the difficulty in tracking enrollment data and for making comparisons of enrollment between public and private schools in Texas.

TEA does not have oversight of private schools in Texas; however, the agency works with the Texas Private School Accreditation Commission to ensure that students can easily transfer from non-public to public schools and that teacher service at non-public schools is recognized at public schools for salary purposes. Private schools may be accredited by a variety of organizations but many private

schools in Texas are not accredited by any organization. (“Texas Education Agency - Alternative Schooling,” n.d.)

According to the NCES as of 2009 there were 313,360 private school students in Texas. Only Florida, California, and New York had a larger number of private school students as of 2009 (“National Center for Education Statistics,” n.d.). In 2011 the NCES published a comprehensive report of accredited private school enrollment that showed a decrease in the number of private school students in Texas. The report was compiled in conjunction with data collected from the 2010 U.S. Census. The introduction to the report states, “Since 1989, the U.S. Bureau of the Census has conducted the biennial Private School Universe Survey (PSS) for NCES. The PSS is designed to generate biennial data on the total number of private schools, students, and teachers, and to build a universe of private schools to serve as a sampling frame of private schools for NCES sample surveys” (Broughman & Swaim, 2013). The report stated that in 2011 there were an estimated 223,469 students in accredited private schools in Texas. In 2013 the NCES published an updated data table that estimated the number of students enrolled in both accredited and non-accredited private schools in Texas was 285,320 (“Private elementary and secondary schools, enrollment, teachers, and high school graduates, by state: Selected years, 2001 through 2011,” n.d.). In 2011 this private school enrollment represented approximately 5.4% of the total student enrollment for all schools in Texas. Nationally, enrollment in private schools in the Fall 2011 was approximately 10% of total enrollment in the United States. In the Fall of 2011, of the estimated 54.7 million enrolled students, approximately 5.32 million were enrolled in private schools in the United States. The amount of private

school enrollment in Texas was significantly lower than the national average of 10% in 2011 at an estimated 5.4%.

Vouchers and tax credits in Texas. As of 2014 Texas did not have legislation that offered vouchers or any type of tax credit for individuals or corporations. During the 83rd Legislative session the Texas House of Representatives passed a budget amendment that prevented any use of vouchers in Texas. In 2013, Senator Dan Patrick (R.-Houston) authored SB23 which was approved by the Senate Education Committee. The proposed legislation would create the Texas Equal Opportunity Scholarship Program which was designed to serve low-income drop outs and at-risk students in low performing schools. The bill would authorize tax credits for corporations that would be capped at 15% of their total tax liability. Qualifying students would be awarded scholarships that would allow them to leave their low-performing school and attend a participating private school. Although SB 23 was approved by the Senate Education Committee (which was chaired by Sen. Patrick) it was never brought to the senate floor for debate.

Charter schools in Texas. In 1995 the first public school charters were awarded. Since then over 300 public school charters have been awarded with 202 approved and active charters in 2013. As of 2013, there were over 200 charters operating in Texas. It is important to note that each Charter is permitted to operate multiple schools and campuses. According to the National Alliance for Public Charter Schools in 2013 Texas had 279 public charter schools operating 623 different campuses and enrollment of more than 210,000 students (“NAPCS Dashboard - Schools - Total Number of Schools - Texas - 2012-2013,” n.d.). The majority of the charter schools in Texas were operating in major metropolitan areas. Charters school students constituted roughly 4% of the public school

enrollment in Texas in 2013. In just ten years charter school enrollment grew from approximately 60,800 (2003) or 1.4% of public school enrollment to over 200,000 students. This represents a loss of approximately 3% of enrollment for traditional public school districts in Texas. Charter schools are aggressively engaging in marketing campaigns to increase enrollment in their programs and increase their market share of students in Texas.

Open enrollment policies. Although school choice does not exist in Texas in the form of vouchers or tax credit scholarship programs, Texas does have both mandatory and voluntary open enrollment policies. The Public Education Grant (PEG) is a mandatory open-enrollment policy designed to allow students that attend schools that have been labeled Academically Unacceptable (AU) the opportunity at an intra-district transfer. When an alternative school is not available within the district it is required to allow an inter-district transfer from the AU campus to a neighboring district; transportation costs for students granted a transfer under PEG are the district's responsibility. Many districts, especially in the large urban areas such as Houston, Austin, Dallas, and San Antonio have voluntary open enrollment policies allowing both inter and intra-district transfers. These policies have led to competition between schools within districts, but also have increasingly led to competition for enrollment between school districts.

Marketing of Public Schools – A National Perspective

Research on the marketing of public schools in America has existed for decades, but interest in this field of study has grown since the turn of the century as political rhetoric surrounding school choice and competition between various forms of school

choice has proliferated. There are widely varying opinions on the effectiveness of the response of public school districts to the perceptions of competition in the education market place. Although the intended consequences of free markets and increased competition among American school systems were to be based in increased effectiveness and innovative practices in failing public schools some researchers argue that public school efforts were instead directed to marketing and branding of their schools. This trend was not limited to traditional public schools but also to public charter school systems as well. “Where charter schools are ...placed in more competitive conditions, they are much more likely to engage in marketing.... In fact, competition for students is leading many types of schools to embrace forms of symbolic representations and image management” (Lubienski, 2006, p. 6). Lubienski has contributed to the body of work on the misconceptions of the effectiveness of competition among school systems. He has also described the unintended consequences of the perceived competition among schools. Lubienski (2006) said, “Many schools are adopting specific marketing strategies described in media accounts as a new phenomenon, noted by observers as evidence of the impact of these reforms, and lauded by advocates as evidence of their success in inducing change in school behavior” (p. 7). Whereas initiative, innovation, and increased effectiveness was what Friedman hoped for as a result of a free market education system of choice, like Lubienski, lay observers note the immediate impact of competition. A 2001 New York Times article stated, “Market theory suggests that schools competing for customers will be forced to improve performance. What does tend to improve immediately, though, is salesmanship, placing public school educators in an unfamiliar and sometimes uncomfortable role” (Wilgoren, 2001, p. 2). The article also gives insight

into a specific public school response to voucher systems, “ In Milwaukee, home of the nation's largest voucher program, the public school district loses money for every child who chooses a private school; so this year it produced a 30-minute infomercial on itself for cable television” (p. 2). Nora Carr has written prolifically for the American School Board Journal and other publications on the subject of marketing of public schools and communication. The perspective is not a question of whether or not public school districts should engage in marketing activities in response to increased school choices for parents, but rather a series of suggestions of why and how districts should be marketing their schools. Carr suggests that public schools should “market like a business”.

The key is to identify the one thing that truly sets a school or district apart, and then build a campaign around that core benefit using language and experiences that resonate with parents. Building better relationships with parents and prospective parents, ramping up customer service, sharing a consistent message, and translating education jargon into everyday terms take more time than money. (Nora Carr, 2006, p. 38)

These recommendations may seem evident, but there may be cause for concern. It is possible that many school district administrators in Texas have not yet recognized either the loss of market share or that competition could ever impact them. Raven Pagett (2007) specifically identifies the changing role of the school principal in the environment of increased competition. “Principals have added marketing to their job description. Faced with falling enrollments and more school choice for parents, they create strategies to market and brand their schools to potential parents and students, from promoting programs in school newsletters and websites to direct mailings...” (p. 37).

The school administrator as marketer is a relatively new concept as districts face increasing competition, as noted by Pagett. The concept of a school administrator as marketer is new on a national scale, but more specifically may be foreign in the Texas public school system. In a 2009 article Carr (2009) echoes a similar awareness of a need for marketing, “Rarely mentioned a decade ago, branding is becoming part of the educational lexicon. Borrowing a page from the private sector, school leaders are investing more time, money and effort in defining their brand promise and position in the marketplace” (p. 38).

There is virtually no scholarly literature as it relates to the marketing of public schools in Texas. Because of this dearth of knowledge it is clear that further attention must be given to this important topic as it relates to increasing pressures on traditional public schools and because of the growing school choice options for parents in Texas.

Chapter III

Methodology

Purpose and Research Design

This study seeks to determine if school choice and competition have an impact on enrollment in a large diverse suburban school district in Texas. The research used descriptive archival data to determine if there was a loss or gain in enrollment of students residing in a large suburban public school district in Texas to competing educational systems such as other public school districts, public charter schools, or private schools. The study reviewed data from a three year period from 2010-13 as a convenient sample. Data was analyzed to determine if the loss or gain in enrollment occurred at the elementary, middle school, or high school level and if certain attendance zones were more effected by a loss or gain of enrollment. The study also determined how many secondary students were not attending the campus in their residential attendance zone because they had applied and been accepted to one of the district's specialized programs. Data collection included descriptive archival data that are available through public domains such as the Texas Education Agency (TEA), school and district websites, district archival data, and the Academic Excellence Indicator System (AEIS). Some enrollment data was collected through an open records request submitted to TEA. The collection of descriptive data, archival records and district/campus data was done solely by the researcher.

The research incorporated guided interviews to examine the perspectives of campus principals and district level leaders regarding the loss or gain of enrollment to competing educational systems in the geographic area or to competing schools within the

district. The interviews examined the principals' and school leaders' perceptions of marketing of their school or the school district. The interviews consisted of introductory demographic questions and four pre-determined open ended questions; the questions and order of questions were the same for all principals and question number four was altered for school leaders from central office to reflect their position at the district level. The interviews lasted less than 30 minutes.

Comparative analysis of the perceptions of principals and district leaders with the descriptive enrollment data revealed patterns and trends regarding the impact of competition, school choice, and marketing in this public school district in Texas.

Questions

The analysis of the archival data gathered from the school district and the Texas Education Agency answered the following specific research questions:

1. How many students in each school level, elementary, middle school, or high school, are not enrolled in the subject school district, but are instead enrolled in a competing educational program such as a private school, public charter school, or neighboring open enrollment public school district?
2. Is there a pattern or trend of enrollment loss by school level over the most recent three years of available data?
3. Do some schools within the district lose more or gain more enrollment than others and is there a multi-year pattern or trend for certain schools?
4. How many students are not attending the campus in their residential attendance zone because they have applied and been accepted to one of the district's specialized programs?

The research gathered information on the perceptions of school leaders using face to face recorded interviews. Prior to the open ended interview questions, specific demographic and work history questions were asked to determine the years of experience as a principal or district leader, the years of experience as a campus principal, and the years of experience as a leader in the subject district.

Next, four predetermined scripted questions were asked. The guided interviews with a sample of district leaders and a representative sample of the campus principals at various grade levels addressed the following open ended questions:

1. What is the perception of the school leader regarding competition with other educational systems that are offered in the geographic area such as private schools, public charter schools, and neighboring open enrollment public school districts?
2. What is the perception of the school leader regarding the significance of the loss or gain in enrollment annually to the district or to their school?
3. What is the perception of the school leader regarding competition with other schools within the district?
4. Are there ways the leader intentionally engages in marketing of their public school district or their public school to increase or maintain student enrollment?

Setting

The setting for this study was based on one of the largest public school districts in Texas. The district spans over 170 square miles with schools in multiple municipalities and with small portions in more than one county. Although the district is one of the largest in Texas, it is the third largest district in the metropolitan area. The district studied

is bordered by six different school districts ranging in enrollment from 4000 to over 200,000 students. According to the 2010 federal census the county that this district resides in is the most ethnically diverse county in the United States (Christian, 2013). In 2012-13 this district served 69,123 students in early childhood programs and grades K-12. The TEA Academic Performance Report for 2012-2013 reports the diverse student population consisted of 29.1% African American, 26.5% Hispanic, 19.2% White, .9% Indian, 23.6% Asian, .2% Pacific Islander, and 2.3% Two or More Races. Of the 69,123 students 26,687 or 38.6% were economically disadvantaged and 39.3% were labeled as at-risk in 2012-2013. According to the TEA Academic Excellence Indicator System (AEIS) report from 2011-2012 the district served 68,964 and the AEIS report for 2010-2011 reports the district served 68,710 students. At the time of the study the district had 45 elementary campuses with grades EC-5, 14 middle schools with grades 6-8, and 11 traditional high schools with grades 9-12. From 2010-2013, the elementary enrollment in the subject district accounted for approximately forty-five percent of the total district enrollment. The middle school enrollment accounted for approximately twenty-three percent of total district enrollment, and the high school enrollment accounted for approximately thirty-two percent of total enrollment for the district. Attendance zones have been established and the school a student attends was based on their residence. There are established vertical feeder patterns for students to promote from elementary to middle school and to high school. There were no special programs for elementary students, but at one time the middle school level did have two specialized programs that students could transfer into through an application process. The Gifted and Talented Academy and the International Baccalaureate Academy could be attended but only

through an application process. Both middle schools hosted both residentially zoned students and students who attend the Academy by application in grades 6-8. The other twelve middle schools did not offer programs or attendance by application. Of the eleven comprehensive high schools there were six campuses that offered Academy programs by application and five high schools that did not offer specialized programs in 2010-2011. As of 2012-2013 there were five campuses that offered Academy programs and six high schools that did not offer specialized programs.

The district did offer transfers for students at high school and middle school campuses that did not meet Adequate Yearly Progress under federal accountability standards and transfers to students from underperforming schools under the Texas Public Education Grant (PEG) system. For the three years being studied, 2010-2013, the district also offered special circumstance intra-district transfers based on specific published criteria. The district also became an open enrollment district in 2010-2011 allowing employees to transfer their student into the district if they did not reside within the district. Open enrollment expanded in 2011-12 to allow any qualifying student to enroll in the district through the “Bring a Friend” program.

Interview Participants

The interview participants are a convenient sample of six high school principals, seven middle school principals, seven elementary school principals and four leaders at or above the director level at central office. The demographic data of each participant presented in chapter 4 includes years of experience as a principal or school leader, and years working in the subject school district and was gathered through observation, district reports, and the researcher’s knowledge of the participants. The interviews verified the

demographic data and experience level and work history of the participants. Participants for the study were invited by email to be interviewed. Appendix A contains the Consent to Participate in Confidential Research. The participants come from a pre-determined group of leaders in the district and therefore this must be considered a cross sectional survey.

Procedures and Ethical Considerations

Approval for conducting this study was received from the participating district's Department of Research and Program Development. Appendix D includes a copy of the approval from the school district. The name of the school district and all individuals involved in the interviews have been redacted from all documents and a system of letter and numerical codes is used to protect the identity and confidentiality of all participants. For example, a high school principal is labeled as H1, a middle school principal is labeled as M1, an elementary principal is labeled as E1, and a district leader is labeled as A1. Names of the participants and the school district do not appear in the research or the results of the study and a list of the names of the participants as they relate to the codes will be kept confidentially and separate from the research.

Permission to use human subjects was also granted from the University of Houston Committee for the Protection of Human Subjects. A copy of the approval letter from the university committee can be found in Appendix C. A copy of the written approval for research from the school district can be found in Appendix D. The identity of the school district that is studied will be kept confidential. Data collected during this research will be kept for three years after completion of the project by the University of Houston.

The interview participants were invited to participate in the study through an e-mail. The participants were informed in the Consent to Participate letter that participation in the research project is voluntary, and that they have the option to participate or the option to refuse to participate, withdraw at any time, or choose not to answer any of the questions during the interview if they choose to participate. There were no penalties for anyone identified to participate in the study that chose not to participate. As confidentiality will be maintained, there are no foreseeable risks to participants of this research. As there are no risks, there are also no benefits to the participants other than receiving a copy of the completed research.

Instruments

Data for this study came from archival data from the school district and TEA and was collected through open records requests and access to district maintained archival data. The descriptive data was disaggregated to determine if there is a gain or loss of enrollment to competing educational systems. Data was collected from interviews that were conducted with principals at all levels of the district and from district leaders. The interview questions were designed to address the principals' and school leaders' perceptions of competition with other educational systems and competition with other schools within the district. The interview questions also addressed the leaders' perceptions of marketing of their schools or the district. It was expected that the interviews would last no more than 30 minutes. The interviews began with questions to establish protocol for the interview and to gather the demographics and work history of the participants. The interview questions were grouped into two sections. The first section of questions established the demographic data and work history of the school

leader. The second section of questions consisted of four pre-determined, open-ended questions. A copy of the interview questions is in Appendix A and a copy of the interview e-mail invitation is located in Appendix B. Interviews were audio recorded and then transcribed in their entirety in order to completely and accurately capture the open ended responses. Notes were also taken during the interviews to collect the responses.

Data Analysis

The archival data was analyzed to answer the research questions regarding the loss or gain of enrollment in the district to competing educational systems in the geographic area. The loss or gain of enrollment was disaggregated by school level to determine if there was a loss or gain of enrollment at a particular grade level. The archival data also determined if there was a pattern of loss or gain of enrollment in certain feeder patterns and if there was an impact of internal competition within the district based on offerings of specialized programs at certain secondary schools. The enrollment data was also considered in terms of loss of state funding. The interview data was collected to establish if there are patterns or themes in the perceptions among the school principals and district leaders regarding competition, school choice, and marketing of schools or of the district.

Limitations

There are several limitations that must be considered in this study of a large diverse suburban school district in Texas. This study only focused on one district. One limitation of the study is that the data results and survey results cannot be generalized to all schools in Texas or to schools in other states with various laws governing school choice and varying economic conditions. Another limitation is that the study does not

provide specific information pertaining to why parents choose alternatives to the public school offerings in this district. Included in this limitation is the uncertainty of why parents enter or leave the district at certain grade levels. Only the raw statistical data was considered regarding numbers of lost enrollment. There was not any data reviewed in the study associated with the study of parent choice. The study is also limited by a lack of verifiable data from a recognized data source on the number of students that attend private schools in lieu of public schools. The Texas Education Agency (TEA) and the National Center for Educational Statistics (NCES) do not track data related to private school enrollment in Texas by private school institution attended. The NCES and TEA do estimate private school attendance at approximately 10% of the total enrollment of school aged students in the United States and approximately 5.4% of total enrollment in Texas (“Private elementary and secondary schools, enrollment, teachers, and high school graduates, by state: Selected years, 2001 through 2011,” n.d.). Because of this limitation the results of a portion of the research questions were estimated. The geographic location of this district may impact the results of the data such that it may not be comparable for districts of different size. “There are twenty-seven separate metropolitan statistical areas (MSAs) in Texas. These areas vary considerably in size and ability to mount effective competition across districts” (Hanushek & Rivkin, 2003, p. 28). This exemplifies the exclusionary delimitation that is inherent to the geographic location and size of the district that is the subject of the study. Another exclusionary delimitation is that the demographic data for the district studied may not be universally representative for other large school districts in Texas and may limit the ability to compare the results of the proposed study with other school districts. The interview portion of the study is limited

by the accuracy of the instruments that were used to collect school leaders' perceptions of school competition, school choice, and marketing of public schools. The research may also be limited by this district's approach to professional development for its leaders with regard to public school marketing. Another limitation is that it cannot be assumed that the subject district's understanding of its position in the educational marketplace was the same awareness that other similar sized districts in Texas or the United States have of their position in the market.

Chapter IV

Results of the Study

Introduction

This chapter is a discussion of the results gathered from the study of archival descriptive data and from data collected through interviews with school leaders at the campus and district level in the subject school district. The purpose of this study was to analyze archival enrollment data to determine if the district gained or lost enrollment, and consequently, state funding, to competing educational systems in the geographic area and to employ interviews to explore the perceptions of school leaders regarding internal and external competition and their perceptions regarding marketing their schools or school district to enhance or increase enrollment. The results of this study offer insight into the existence of competition and the impact of school choice both internally and externally in the educational marketplace of the district being studied.

The study determined that the district had a net loss of student enrollment annually in each of the three years studied. Although the district did enroll students annually that resided outside of the attendance boundary of the district, there were much greater losses of enrollment to school choice charter schools and public school districts in the geographic area. In 2010-11 the district lost 2,657 students and gained enrollment of 81 students from outside of the district. According to the TEA data files, the net loss for 2010-11 to competing charter and public school systems was 2,576 students. In 2011-12 the district lost 3,162 students and gained enrollment of 203 students from outside of the district. According to the TEA data files, the net loss for 2011-12 to competing charter and public school systems was 2,959 students. In 2012-13 the district lost 3,457 students

and gained enrollment of 236 students from outside of the district. According to the TEA data files, the net loss for 2012-13 to competing charter and public school systems was 3,221 students. Over the three years studied the district encountered a net loss of enrollment to other public educational systems, and each year the amount of the net loss in enrollment increased.

The financial impact of these net losses to charter schools and neighboring public school districts is substantial for this school district. Because TEA does not collect data on private school enrollment, exact losses cannot be determined. If this district loses enrollment to private schools annually at a rate that is consistent with the estimated state average for private school enrollment that is published by the NCES, the impact of competition and school choice is significantly greater than what is tracked by TEA. The financial impact is discussed in more detail later in this chapter.

The study yielded results regarding the perceptions of school district principals and leaders. The overarching question was, “Does the leadership of this district recognize the marketization of education that is taking place, and the trend in the responses was distinct?” Although many of the school leaders did recognize that there was both internal and external competition for enrollment, there was an inverse relationship with the school leaders’ perceptions of the loss or gain of enrollment to competing educational systems. When the data from 2010-13 was juxtaposed with the trend data from the perceptions of the school leaders, a serious concern comes to light for the public school district being studied.

Results

This chapter provides the results of an analysis of the descriptive data from the Texas Education Agency regarding enrollment for the subject school district from 2010-11, 2011-12, and -2012-13. The analysis of this data was completed to answer the following four questions:

1. How many students in each school level, elementary, middle school, or high school, are not enrolled in the subject school district, but are instead enrolled in a competing educational program such as a private school, public charter school, or neighboring open enrollment public school district?
2. Is there a pattern or trend of enrollment loss by school level over the most recent three years of available data?
3. Do some schools within the district lose more or gain more enrollment than others and is there a multi-year pattern or trend for certain schools?
4. How many students are not attending the campus in their residential attendance zone because they have applied and been accepted to one of the district's specialized programs?

Research Question 1

The first set of descriptive data that was collected from the Texas Education Agency was related to students that resided within the boundaries of the subject school district but that attended school in a public charter school or a neighboring public school district in Texas. As presented in the limitations of this study, the Texas Education Agency does not collect or monitor enrollment data for private schools in Texas, therefore, there is no specific data available related to the number of students residing in

the subject school district that attend private schools in the geographic area. The second set of data that was collected from the Texas Education Agency was related to students who do not reside within the boundaries of the school district but that did attend one of the schools in the district open enrollment programs. Table 4 illustrates how many students in each school level lived within the district attendance boundary but attended school in another public school district or a Texas public charter school from 2010-13.

Table 4

Loss of Enrollment by School Level to Competing Public and Charter Schools

| Loss by Level | 2010-2011 | 2011-2012 | 2012-2013 |
|---------------|-----------|-----------|-----------|
| Elementary | 1825 | 2145 | 2317 |
| Middle School | 476 | 553 | 667 |
| High School | 356 | 464 | 473 |
| Totals | 2657 | 3162 | 3457 |

From 2010-13, the elementary enrollment in the subject district accounts for approximately 45% of the total district enrollment. The middle school enrollment accounts for approximately 23% of total district enrollment, and the high school enrollment accounts for approximately 32% of total enrollment for the district. The numbers in Table 4 represent only the number of students who enrolled in a neighboring school district or public charter school.

Estimates for students residing in the boundary for the school district who are attending private schools are not reflected in Table 4. The NCES data tables for

2011 estimated that private school enrollment accounted for 5.4% of total enrollment in Texas (“Private elementary and secondary schools, enrollment, teachers, and high school graduates, by state: Selected years, 2001 through 2011,” n.d.) If the subject school district experienced a loss of enrollment to private schools at the state average of 5.4% for each year studied then the additional estimated loss of enrollment can be seen in the following table.

Table 5

Loss of Enrollment Totals with Estimated Loss from Private School Enrollment

| Enrollment / Loss | 2010-2011 | 2011-2012 | 2012-2013 |
|--|-----------|-----------|-----------|
| District Total Enrollment | 68,710 | 68,964 | 69,123 |
| Loss to Public and Charter Schools | 2657 | 3162 | 3457 |
| Loss to Private Schools (NCES Estimate 5.4% of Total Enrollment) | 3710 | 3724 | 3732 |
| Estimated Gross Loss of Enrollment to Public, Charter, and Private Schools | 6367 | 6886 | 7189 |

Although it cannot be confirmed by TEA, if estimates of the loss of enrollment to private schools are accurate, the loss of enrollment annually in the three years studied would more than double the loss of enrollment to open enrollment school districts and charter schools each year.

Research Question 2

There is a distinct pattern of enrollment loss by school level over the three years studied. Elementary enrollment accounts for approximately 45% of the total annual enrollment in the subject school district; however, the average annual loss of elementary enrollment from 2010-13 accounted for 68% of the total enrollment lost. Elementary enrollment was most impacted by losses to competing educational systems, such as charter schools and neighboring open enrollment school districts. Middle school enrollment, which accounts for approximately 23% of total annual enrollment, had a three year average loss of 18% to competing systems. While high school enrollment accounts for 32% of total annual enrollment, the loss to competing charter schools and neighboring public school districts only averaged 14% over the three years studied. For 2010-13 elementary accounted for two-thirds of the losses, whereas middle school and high school combined only accounted for one-third of the loss of enrollment.

Table 6 displays the same data as Table 4 by school level but as a percent of the total loss of enrollment for each year. Although the high schools account for 32% of the total enrollment, these schools have the lowest average loss of enrollment over the three year period that was studied.

Table 6

Percent of Loss of Enrollment by School Level

| Loss by Level | 2010-2011 | 2011-2012 | 2012-2013 | 3 Year |
|---------------|-----------|-----------|-----------|--------------|
| | | | | Average Loss |
| Elementary | 69% | 68% | 67% | 68% |
| Middle School | 18% | 17% | 19% | 18% |
| High School | 13% | 15% | 14% | 14% |
| Totals | 2657 | 3162 | 3457 | |

Elementary only accounts for an average of 45% of total enrollment during the three years studied yet it averaged 68% of the total loss of enrollment to competing charter and public school systems. The high school enrollment, which accounts for 32% of the total enrollment annually, had the smallest average annual loss of enrollment at 14%. In conclusion, there is a clear pattern of loss of enrollment with elementary losses having the greatest impact on the subject school district.

Research Question 3

The results of the analysis of data for this question are disaggregated in several ways. Schools are grouped by the amount of enrollment loss incurred over the three year period and by commonalities between schools that had the greatest enrollment loss. In Table 7 all of the schools in the subject district have been coded with a prefix by elementary (ES), middle school (MS), or high school (HS). The schools were then ranked based on the total number of students who reside in the district but chose to attend

a charter school or other public school district in the geographic area during the three years studied, 2010-2013. Each student represents a loss of funding from the state, and in Table 7 each school has a three year total loss which then can be converted to a dollar amount of school funding that was lost to a competing educational system over the three years studied. This will be discussed further in Chapter 4.

There are several patterns that emerge with regard to the grade level of school and the loss of enrollment. Table 7 only lists students that reside in the subject district but that attended a competing education system such as a Texas public charter school or a neighboring public school district.

Table 7

Three Years Combined Loss of Enrollment by School for 2010-2013

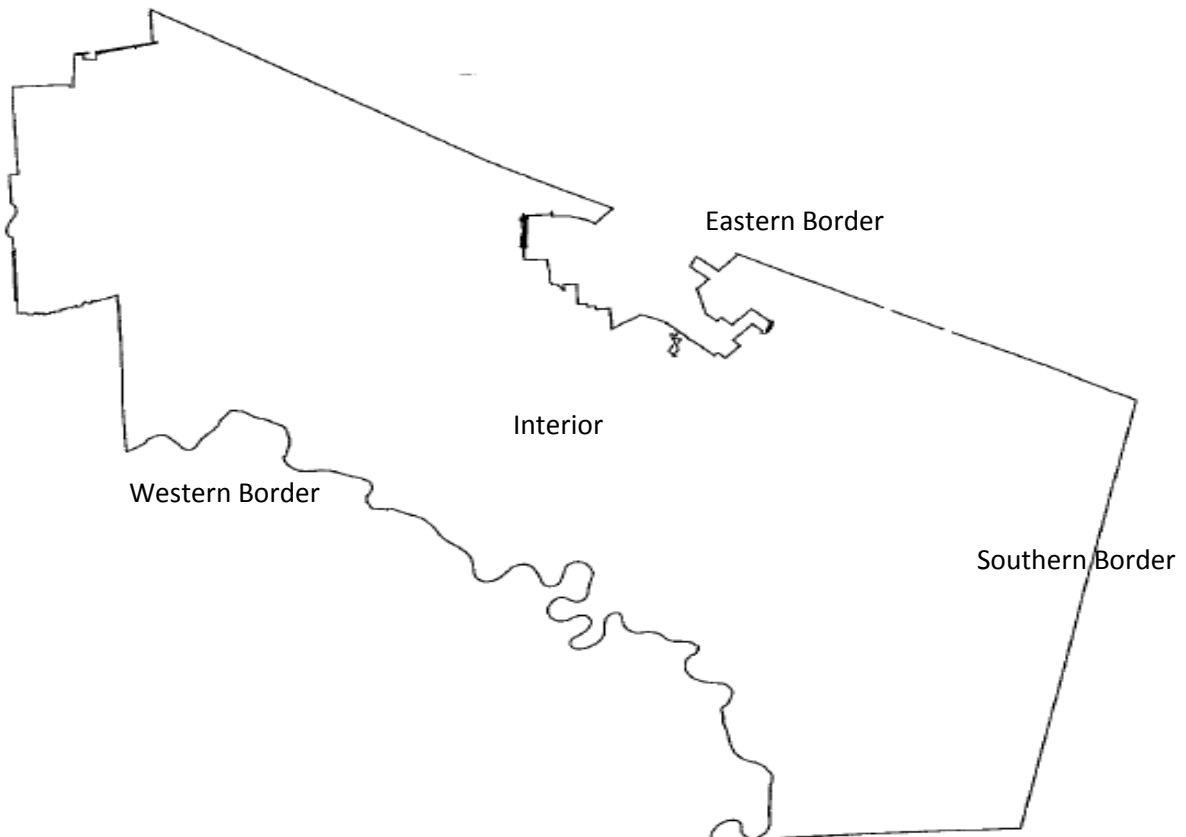
| School | 3 Year Total Loss | School | 3 Year Total Loss |
|---------------|--------------------------|---------------|--------------------------|
| ES131 | 457 | HS013 | 91 |
| ES101 | 448 | ES102 | 88 |
| ES122 | 398 | HS008 | 87 |
| MS047 | 391 | HS005 | 82 |
| ES113 | 375 | ES119 | 82 |
| HS012 | 351 | HS006 | 81 |
| MS042 | 302 | MS053 | 81 |
| ES116 | 293 | MS041 | 73 |
| ES132 | 280 | MS044 | 71 |
| HS002 | 272 | HS001 | 68 |
| ES127 | 261 | ES121 | 67 |
| ES133 | 259 | ES145 | 63 |
| ES118 | 241 | ES125 | 46 |
| ES141 | 229 | ES123 | 44 |
| ES108 | 213 | HS007 | 41 |
| HS011 | 200 | ES147 | 38 |
| MS049 | 199 | ES136 | 35 |
| ES114 | 174 | ES148 | 34 |
| ES109 | 173 | MS050 | 31 |
| MS043 | 172 | MS052 | 29 |
| ES144 | 172 | HS004 | 28 |
| ES124 | 168 | ES149 | 26 |
| ES143 | 168 | ES130 | 25 |
| ES112 | 167 | ES126 | 22 |
| ES129 | 166 | ES137 | 21 |
| MS048 | 160 | ES150 | 21 |
| MS046 | 158 | MS045 | 17 |
| ES140 | 141 | MS051 | 15 |
| ES139 | 139 | ES142 | 14 |
| ES110 | 130 | ES117 | 13 |
| ES146 | 126 | ES120 | 12 |
| ES115 | 122 | ES128 | 10 |
| ES134 | 122 | MS054 | 9 |
| ES111 | 102 | HS016 | 8 |
| ES138 | 96 | ES135 | 6 |

The first observable pattern in the table above is that 49%, or 34 of the 70 campuses lost more than 100 students to competing charter and public school systems over the three

year period studied. Of those 34 schools, only three were high schools and only six were middle schools. The remaining 25 schools, with a combined loss of enrollment of 100 or more students from 2010-13, were elementary schools.

Other patterns emerge from the data provided by the Texas Education Agency when the geographic location and the socio-economic make-up of the schools are considered. In an effort to describe geographic patterns of loss of enrollment that exist in the district, each of the 70 schools in the district has been given a code based on their location. The district runs north-west to south-east and has a non-geometric shape that is flat at the southern border and almost comes to a point at the northern border. For this reason, the codes of Eastern Border (EB), Western Border (WB), Southern Border (SB), and Interior (I) were be used to describe the geographic location of each school.

Figure 1
Geographic Shape and Borders of the Subject School District



The eastern portion of the district borders one of the largest cities in the United States. Although there are many suburban communities along the eastern border (EB) of the school district, most of them are not new developments and have existed for more than thirty years. There are some younger communities that have existed for less than twenty years in the north-eastern portion of the school district. In general, the eastern border (EB) of the district could be considered much more urbanized than other areas of the district as the large metropolitan city to the east has continued to expand into the district. Some of the eastern portions of the district have been annexed by the large city and are now considered within that city's limits. The eastern border has small sections that are in the county that is generally associated with the neighboring large city. There is also a pattern between the eastern border of the district and an increase in the number of students considered "economically disadvantaged" (ED) by qualifying for the federal Free and Reduced Lunch Program.

By contrast, the southern border (SB) of the district, which is not as long as the eastern border, moves away from the neighboring large city and contains two small unincorporated municipalities. There are large areas of the southern portion of the district that are undeveloped and, as compared to the eastern border, would be considered rural. The interior (I) areas of the district are predominantly suburban, including several master planned communities and some significant commercial development. Schools coded as interior (I) are insulated by at least one border school. The socio-economic status, or concentration of economically disadvantaged students, varies among schools coded as interior.

The western border (WB) is characterized by being distinctly suburban and contains both established aging master planned communities and new rapidly developing communities. This western border of the district is the farthest from the large metropolitan area. With the exception of two schools in the far north-western area of the district, the concentration of economically disadvantaged students along the western border (WB) is low in comparison with other coded areas.

When identifying trends in loss of enrollment for the three years that were studied, there were patterns that emerged based on the geographic location and socio-economic data associated with each school. Two distinct ways to view and disaggregate the data that was coded by geographic location were done by ranking the loss of enrollment by all schools, and by ranking the loss of enrollment separately by elementary, middle school, and high school. In both disaggregation approaches patterns were observed. In Table 8 each school is ranked by total the type of loss of enrollment (neighboring charter or public school systems) and also coded with a geographic designation Eastern Border (EB), Western Border (WB), Southern Border (SB), or Interior (I). There are 27 schools coded as Eastern Border, 14 coded as Western Border, 6 coded as Southern Border, and 23 coded as Interior in Table 8.

Table 8

Three Years Combined Loss Ranked by School with Geographic Code

| School | 3 Year Loss | Geographic Code | School | 3 Year Loss | Geographic Code |
|--------|-------------|-----------------|--------|-------------|-----------------|
| ES131 | 457 | EB | HS013 | 91 | WB |
| ES101 | 448 | EB | ES102 | 88 | I |
| ES122 | 398 | EB | HS008 | 87 | SB |
| MS047 | 391 | EB | HS005 | 82 | I |
| ES113 | 375 | EB | ES119 | 82 | I |
| HS012 | 351 | EB | HS006 | 81 | I |
| MS042 | 302 | EB | MS053 | 81 | WB |
| ES116 | 293 | EB | MS041 | 73 | EB |
| ES132 | 280 | I | MS044 | 71 | I |
| HS002 | 272 | EB | HS001 | 68 | EB |
| ES127 | 261 | EB | ES121 | 67 | I |
| ES133 | 259 | EB | ES145 | 63 | WB |
| ES118 | 241 | EB | ES125 | 46 | WB |
| ES141 | 229 | EB | ES123 | 44 | I |
| ES108 | 213 | EB | HS007 | 41 | I |
| HS011 | 200 | EB | ES147 | 38 | WB |
| MS049 | 199 | I | ES136 | 35 | WB |
| ES114 | 174 | EB | ES148 | 34 | I |
| ES109 | 173 | EB | MS050 | 31 | WB |
| MS043 | 172 | I | MS052 | 29 | WB |
| ES144 | 172 | EB | HS004 | 28 | I |
| ES124 | 168 | EB | ES149 | 26 | WB |
| ES143 | 168 | EB | ES130 | 25 | I |
| ES112 | 167 | EB | ES126 | 22 | I |
| ES129 | 166 | EB | ES137 | 21 | WB |
| MS048 | 160 | I | ES150 | 21 | SB |
| MS046 | 158 | EB | MS045 | 17 | I |
| ES140 | 141 | I | MS051 | 15 | WB |
| ES139 | 139 | SB | ES142 | 14 | WB |
| ES110 | 130 | EB | ES117 | 13 | I |
| ES146 | 126 | SB | ES120 | 12 | I |
| ES115 | 122 | I | ES128 | 10 | I |
| ES134 | 122 | SB | MS054 | 9 | WB |
| ES111 | 102 | EB | HS016 | 8 | SB |
| ES138 | 96 | I | ES135 | 6 | WB |

The left column of Table 8 shows the schools with losses of 96 or more total students from 2010 to 2013. Of the 35 schools listed in the left column 25 are coded as EB. Also, 25 of the 27 schools that are coded as EB geographically are listed as having losses of 100 students or more. With the exception of two secondary schools, all other elementary, middle schools, and high schools coded as EB are ranked in the column with the highest combined three year enrollment losses in the district. That is, 74% of the schools that

have a loss of more than 100 students during the three year period are schools coded as EB. Of the 16 schools with a student enrollment loss of 200 or more during the years studied, 15, or 94% of them, are coded as EB. There was a relationship between the geographic location of the district and the amount of loss of enrollment from 2010-13.

To further this observation, the schools in the right column had a three year combined loss of enrollment to neighboring charter and public school districts ranging from 6 to 91 students. The schools in the right column are ranked in the bottom 50% of the ranking of 70 schools with a loss of enrollment. All of the schools coded as WB lost less than 100 students combined during the three years studied. All 14 of the WB schools are in the right column and the WB schools make up 40% of the schools with losses of less than 100 students. Only two secondary schools coded as EB are in the right column; all of the other schools in the right column are coded as I or SB.

Only 30% of the schools coded as I had losses of greater than 100 students, and only one school coded as I lost more than 200 students during the three years studied. Sixteen of the 23 schools coded I lost less than 90 students.

There does not appear to be as strong of a connection between the geographic coding of the SB schools as noted with the EB or WB coded schools. Of the six schools coded SB, three had losses of more than 100 students, while three had losses of less than 100 students. In some cases in this district geographic location alone may not be a predictor of the ranking based on the amount of loss of enrollments; however, when combined with other factors, geographic location may still be related to trends in loss of enrollment.

Table 9

Loss by Grade Level with Geographic Code and % of Economically Disadvantaged

| Elementary | 3 Year Loss | Code | ED (2012-13) | Elementary | 3 Year Loss | Code | ED (2012-13) |
|--------------------|--------------------|-------------|---------------------|----------------------|--------------------|-------------|---------------------|
| ES131 | 457 | EB | 74% | ES138 | 96 | I | 33% |
| ES101 | 448 | EB | 83% | ES102 | 88 | I | 36% |
| ES122 | 398 | EB | 81% | ES119 | 82 | I | 29% |
| ES113 | 375 | EB | 81% | ES121 | 67 | I | 26% |
| ES116 | 293 | EB | 91% | ES145 | 63 | WB | 17% |
| ES132 | 280 | I | 18% | ES125 | 46 | WB | 21% |
| ES127 | 261 | EB | 30% | ES123 | 44 | I | 16% |
| ES133 | 259 | EB | 64% | ES147 | 38 | WB | 2% |
| ES118 | 241 | EB | 53% | ES136 | 35 | WB | 15% |
| ES141 | 229 | EB | 47% | ES148 | 34 | I | 9% |
| ES108 | 213 | EB | 85% | ES149 | 26 | WB | 43% |
| ES114 | 174 | EB | 77% | ES130 | 25 | I | 9% |
| ES109 | 173 | EB | 89% | ES126 | 22 | I | 10% |
| ES144 | 172 | EB | 86% | ES137 | 21 | WB | 4% |
| ES124 | 168 | EB | 63% | ES150 | 21 | SB | 74% |
| ES143 | 168 | EB | 64% | ES142 | 14 | WB | 3% |
| ES112 | 167 | EB | 38% | ES117 | 13 | I | 19% |
| ES129 | 166 | EB | 73% | ES120 | 12 | I | 16% |
| ES140 | 141 | I | 26% | ES128 | 10 | I | 6% |
| ES139 | 139 | SB | 64% | ES135 | 6 | WB | 2% |
| ES110 | 130 | EB | 40% | | | | |
| ES146 | 126 | SB | 73% | | | | |
| ES115 | 122 | I | 59% | | | | |
| ES134 | 122 | SB | 73% | | | | |
| ES111 | 102 | EB | 40% | | | | |
| High School | | | | Middle School | | | |
| High School | 3 Year Loss | Code | ED (2012-13) | Middle School | 3 Year Loss | Code | ED (2012-13) |
| HS012 | 351 | EB | 64% | MS047 | 391 | EB | 72% |
| HS002 | 272 | EB | 76% | MS042 | 302 | EB | 71% |
| HS011 | 200 | EB | 56% | MS049 | 199 | I | 38% |
| HS013 | 91 | WB | 30% | MS043 | 172 | I | 49% |
| HS008 | 87 | SB | 48% | MS048 | 160 | I | 53% |
| HS005 | 82 | I | 37% | MS046 | 158 | EB | 86% |
| HS006 | 81 | I | 26% | MS053 | 81 | WB | 56% |
| HS001 | 68 | EB | 22% | MS041 | 73 | EB | 32% |
| HS007 | 41 | I | 20% | MS044 | 71 | I | 25% |
| HS004 | 28 | I | 7% | MS050 | 31 | WB | 6% |
| HS016 | 8 | SB | 19% | MS052 | 29 | WB | 29% |
| | | | | MS045 | 17 | I | 14% |
| | | | | MS051 | 15 | WB | 7% |
| | | | | MS054 | 9 | WB | 19% |

In Table 9 the loss of enrollment is disaggregated by school level. There is a pattern of loss of enrollment for the schools at each grade level. There are greater losses for the EB schools at the elementary level. The three high schools with losses of 200 students or more from 2010-13 are also schools coded as EB; the next highest high school had half of those losses over the three years. The top two middle schools had losses of over 300 students and both are schools along the eastern border. The middle schools that had losses of more than 100 students consisted of three of the four EB schools and three of the five I schools. None of the five WB middle schools had losses greater than 100 students over the three years studied.

When considering the socio-economic level of the students, as determined by the percentage of enrolled students labeled as economically disadvantaged, there are patterns that emerge regarding the loss of enrollment. In Table 9 the geographic location of the schools is juxtaposed with the percentage of economically disadvantaged enrolled at each school. All but two of the 27 elementary schools coded as EB had an economically disadvantaged population of 40% or more, and none had less than 30% economically disadvantaged students. The five elementary schools with the highest combined losses of enrollment during the three years studied had 74% or more economically disadvantaged students. For the interior schools there is not a clear relationship between lost enrollment geographic location and the percentage of economically disadvantaged. The elementary school coded I with the highest loss of enrollment over the three years studied only had 18% economically disadvantaged students; the second highest loss of enrollment for a school coded I had an economically disadvantaged student population of 26%. The other campus coded I with a combined loss of more than 100 students had a 59% economically

disadvantaged population. No clear trend was observable for the Interior elementary schools with relation to economically disadvantaged students and the loss of enrollment.

In contrast, only one of the eight elementary schools coded as WB had more than 40% economically disadvantaged student population; the schools coded as WB ranged from 2 - 21% economically disadvantaged with one school at 43% economically disadvantaged students. Each of the WB elementary schools lost 63 or fewer students over the three years studied and also had low economically disadvantaged student populations as compared to the EB elementary schools.

The SB elementary schools all had 64% or more of their students labeled as economically disadvantaged. Three of the four elementary schools coded as SB with high economically disadvantaged populations lost more than 100 students during the three years studied. The trend for SB schools to have higher percentages of students coded as economically disadvantaged and higher losses of student enrollment was similar to the EB schools.

The middle schools with the highest economically disadvantaged population, at 86%, did not have the highest three year loss. However, the top two middle schools for three year loss of enrollment both had greater than 70% economically disadvantaged and both were schools coded as EB. For the high schools the distinction is more clear with the three schools with a three year loss of 200 students or more all having 56% or greater economically disadvantaged students and being coded as EB.

In summary, some schools in the subject school district had greater losses of enrollment than other schools. Eastern Border (EB) schools are more likely to have the highest percentage of economically disadvantaged students and the highest loss of

enrollment at all three levels of schools. Based on the data in Tables 7 through 9, there is a observable difference between EB schools and WB schools. The same distinctions do not exist for SB schools and I schools at all levels. The strongest trends exist at the elementary level between loss of enrollment, geographic location of the school, and percentage of students labeled economically disadvantaged. There is an observable pattern between the schools with the highest three year loss and the geographic and economically disadvantaged data at the middle school level, but there are exceptions. With only one exception, the high school level trends are similar to elementary with regard to the loss of enrollment, the EB schools, and the percentage of economically disadvantaged students. In high school the EB schools with the higher percentage of economically disadvantaged students had the greatest loss of enrollment. Table 9 provides the data by school level and percent of economically disadvantaged students enrolled in each school.

Research Question 4

The fourth question is primarily a secondary school related question because the district only offered specialized programs, that it calls “Academies”, in middle school and high school. There have never been any formal magnet school programs in this district. From 2010-2013 the academy system in the subject district consisted of two middle school academies at two middle schools and 10 high school academy programs offered at seven of the 11 high schools. The International Baccalaureate “Middle Years” program existed at one school but had limited enrollment from students that were not already zoned to the school. The other middle school academy was called the Gifted and Talented (GT) Academy and had limited enrollment from students that were already

zoned to the school. More than half of the enrollment of the GT Middle School Academy was from students enrolled in the academy program. Table 10 shows the total number of secondary students enrolled in an academy program for each of the three years studied.

This table also shows how many of the students who were not zoned to the campus with the academy attended the special program instead of their home campus.

Table 10

Academy Enrollment for 2010-2013

| High School Academy | 2010-11 Total Enrollment | Not Zoned to Campus | 2011-12 Total Enrollment | Not Zoned to Campus | 2012-13 Total Enrollment | Not Zoned to Campus |
|------------------------------------|---|--|---|--|---|--|
| International Business & Marketing | 132 | 64 | 106 | 54 | 137 | 70 |
| Global Languages | 278 | 217 | 309 | 87 | 314 | 272 |
| Math & Science | 77 | 48 | 179 | 95 | 257 | 156 |
| Engineering | 41 | 10 | 82 | 42 | 139 | 65 |
| Medical Science | 595 | 524 | 555 | 488 | 589 | 515 |
| Telecommunications & Media | 254 | 171 | 251 | 174 | 256 | 182 |
| Engineering (1) | 101 | 81 | 55 | 45 | 26 | 21 |
| International Baccalaureate | 58 | 26 | 60 | 28 | 61 | 30 |
| Electronic Engineering | 82 | 43 | 68 | 36 | 60 | 36 |
| Game Design & Development (2) | 82 | 0 | 54 | 0 | 0 | n/a |
| TOTAL HS STUDENTS | 1700 | 1184 | 1719 | 1049 | 1839 | 1347 |
| Middle School Academy | 2010-11 Total Enrollment | | 2011-12 Total Enrollment | | 2012-13 Total Enrollment | |
| Gifted & Talented | 535 | 496 | 573 | 531 | 585 | 539 |
| IB - Middle Years Program (3) | 787 | 22 | 838 | 55 | 869 | 57 |
| TOTAL MS STUDENTS | 1322 | 518 | 1411 | 586 | 1454 | 596 |

1. Academy moved to different school beginning 2010-2011.
2. Academy discontinued after 2011-2012.
3. All students enrolled required to participate.

The GT Middle School Academy program attracted 92% of its enrollment from other campuses in the district due to the nature of the Gifted and Talented identification that was required. All other middle school campuses continued to service their enrolled GT students as required by law. This middle school program differed from the high school programs in that it was the only program specialized at one campus and also offered in some form at all other middle school campuses. The GT Middle School Academy contained approximately the same number of zoned non-academy students as it did academy students.

The high school academies were unique to each campus that hosted an academy. The majority of the high school academy programs recruited approximately 50% or more of their students from other campuses in the district. The Medical Science Academy and the Global Languages Academy recruited 87% of the enrollment from students not zoned to their campus. There are two important distinctions or advantages for the larger academies with greater numbers of students enrolled who are not zoned to their campus. In this district staff is centralized and based on staffing ratios of 23 students to 1 teacher at a high school. A campus that hosted an academy that recruited 272 students not zoned to the campus could receive 12 additional teachers and a substantial increase in their campus budget. Using this same example the campus budget provided by the district would also increase \$29,000 with the additional students. For this reason it was advantageous to aggressively recruit as many students not zoned to your campus as possible to increase your campus enrollment and thus increase your staffing and funding. The academies primarily competed internally and were not given the freedom to actively recruit students from neighboring districts during the three years studied, 2010-2013.

The district annually hosted an Academy Fair where parents and students were invited to a booth style conference to gather information on the various program offerings.

Campuses with academies were also permitted to actively recruit by presenting information to interested students from other campuses through assemblies and informational booths set up during student lunches. These specialized programs existed only at the secondary level, and they created an environment of internal competition for enrollment between schools. Clear staffing and budgetary advantages were gained by academy programs that attracted higher numbers of students from attendance zones of other schools.

Other Results and the Impact on State Funding

Where the fourth research question's results are related to internal competition for enrollment, the first three research questions' results are related to the loss of enrollment due to external competition. Additional patterns emerged from the data that were not considered in the first four research questions. An unexpected pattern emerged with respect to the destination schools for students residing within the district boundaries who enrolled in another educational system. Table 11 displays the loss of enrollment by the destination school system. During each of the three years studied the subject school district lost approximately twice as much enrollment to charter school systems as it did neighboring public school districts.

Table 11

Loss of Enrollment by Type of Destination School

| LOSS BY TYPE | 2010-11 | 2011-12 | 2012-13 |
|--|----------------|----------------|----------------|
| ACTUAL DISTRICT ENROLLMENT (AEIS Report) | 68710 | 68964 | 69123 |
| LOSS TO PUBLIC SCHOOL DISTRICTS | 894 | 996 | 1072 |
| LOSS TO CHARTER SCHOOLS | 1763 | 2166 | 2385 |
| Percentage of Loss to Public Schools | 33.6% | 31.5% | 31.0% |
| Percentage of Loss to Charter Schools | 66.4% | 68.5% | 69.0% |

There is an increase each year in the percentage of students who are leaving the subject district for charter schools. Charter school losses accounted for at least 66% of the total loss of enrollment in each of the three years studied.

When translated into dollars per student there is an observable impact to state funding based on the net loss of student enrollment to charter and public school systems. The loss is even greater when including estimates for students who reside within the district who attended a private school in the metropolitan area. To calculate total loss annually the Revenue per Weighted Average Daily Attendance (WADA) at the Compressed Rate was the dollar amount used to multiply by the amount of lost enrollment. TEA publishes this data for school districts on their website (“Texas Education Agency - State Funding Reports and Data,” n.d.). These losses are divided between actual loss for charter and public schools and estimated losses for private schools and can be seen in Table 12 below.

Table 12

Actual and Estimated Loss of Revenue by Year and Type

| ACTUAL Loss by Type Charter and Public | 2010-11 | 2011-12 | 2012-13 |
|---|---------------------|---------------------|---------------------|
| ACTUAL District Enrollment (AEIS Report) | 68710 | 68964 | 69123 |
| Net Loss Charter and Public School | 2576 | 2959 | 3221 |
| Revenue per WADA (per TEA) | \$5,242 | \$5,245 | \$5,238 |
| Annual Funding Loss to Charter and Public | \$13,503,392 | \$15,519,955 | \$16,871,598 |
| Estimated Loss by Type Private Schools | 2010-11 | 2011-12 | 2012-13 |
| Estimated 5.4% Loss to Private Schools | 3710 | 3724 | 3733 |
| Revenue per WADA (per TEA) | \$5,242 | \$5,245 | \$5,238 |
| Annual Funding Loss to Private | \$19,447,820 | \$19,532,380 | \$19,553,454 |
| Estimated Loss Combined (Private, Charter, Public) | 6286 | 6683 | 6954 |
| Revenue per WADA (per TEA) | \$5,242 | \$5,245 | \$5,238 |
| Estimated Total Funding Loss with Private School | \$32,951,212 | \$35,052,335 | \$36,425,052 |

The estimated total funding loss annually is more than doubled when considering private school losses. If there were no losses to private school enrollment the combined loss of Revenue per WADA at the Compressed Rate for 2010-2013 would be \$45,894,945.

Considering private school enrollment estimates that are aligned with the state average of 5.4%, the three year combined loss of Revenue per WADA at the Compressed Rate was estimated at \$107,428,599. Both dollar amounts represent an observable loss in funding to the school district to competing educational systems in the geographic area. The

question remains, what are school leaders' perceptions of the competition and the loss of enrollment annually to their school or school district?

Interview Results

The results of the interviews that were conducted with representative school leaders are based on four predetermined scripted questions that were asked. The questions used for the guided interviews with a sample of district leaders and a representative sample of the campus principals at various grade levels addressed the following open ended questions:

1. What is the perception of the school leader regarding competition with other educational systems that are offered in the geographic area such as private schools, public charter schools, and neighboring open enrollment public school districts?
2. What is the perception of the school leader regarding the significance of the loss or gain in enrollment annually to the district or to their school?
3. What is the perception of the school leader regarding competition with other schools within the district?
4. Are there ways the leader intentionally engages in marketing of their public school district or their public school to increase or maintain student enrollment?

The following demographic information was collected prior to the four questions being asked of the participants. There were a total of 24 school leaders who responded to the invitation to participate in this research study through a scripted interview. Of the 24 participants 20 were principals and four were leaders at the district level. Seven of the respondents were elementary school principals, six were high school principals, seven

were middle school principals, and four were district level leaders. The confidentiality of the identity of the participants is being maintained by giving each participant a unique code. The codes for the identities of the participants are being held separately and do not appear in this study. The code created for each leader interviewed was based on the school level and a number. For example, an elementary principal code would range from E1 to E7, and a district level leader code would range from A1 to A4.

Prior to being asked the four research questions each leader interviewed was asked five demographic questions regarding their years of leadership experience and one question regarding their educational level. The school leaders interviewed had an average of 22 years of experience in education and an average of 10 years of experience as an administrator in the district being studied. The participants had an average of five years of experience as an assistant principal and an average of seven years as a building principal. Three of the principals had administrative experience at the district level as well as campus level. Four of the 20 principals had a doctorate and the remaining 16 had at least a master's degree. Three of the four district level administrators have a doctorate and the remaining participant has a master's degree and was in a doctoral program at the time of this study. Seven of the 24 participants had a doctoral degree at the time of this study. That is, 71% of the participants had a M.Ed. and 29% had a doctoral degree. The age of the participants was not collected for this study. Seven of the participants were male and 17 of the participants were female. The ethnicity of the participants was 50% White (12), 33.4% African American (8), 8.3% Hispanic (2), and 8.3% Asian (2). The demographic data that was collected was considered when seeking trends in the responses to the four research questions. There were not any dominating trends between the

responses to the four questions and gender, ethnicity, educational level, or years of experience. The results have been aggregated as school principals and district leaders and responses to each individual question were considered from all of the 24 participants. During the analysis of the demographic data and the responses of the principals characteristics of the schools geography and economically disadvantaged student population were considered. No observable trends were apparent when considering these two characteristics of the schools that the 20 principals were leading. Table 13 contains the demographic information that was gathered with the first six questions or by observations made during the interview process. No discernable patterns were noted related to the gender or ethnicity of the participants and are only listed in Table 13 for informational purposes.

Table 13

Demographic Information of Participants

| Code | Gender | Ethnicity | Total Years in Education | Years of AP Experience | Years of Principal Experience | Years of District Admin Experience | Admin Experience with District | Highest Education Level |
|------|--------|-----------|--------------------------|------------------------|-------------------------------|------------------------------------|--------------------------------|-------------------------|
| E1 | F | W | 29 | 5.5 | 2.5 | 5.5 | 2.5 | Ed.D |
| E2 | F | W | 17 | 3 | 5 | 0 | 8 | M. Ed. |
| E3 | F | W | 16 | 4.5 | 8 | 0 | 12.5 | M. Ed. |
| E4 | F | AA | 16 | 0.5 | 1.5 | 0 | 2 | M. Ed. |
| E5 | F | H | 14 | 3 | 3 | 0 | 6 | M. Ed. |
| E6 | F | AA | 16 | 1.5 | 6 | 2 | 6.5 | M. Ed. |
| E7 | F | AA | 24 | 8 | 8.5 | 0 | 8.5 | M. Ed. |
| H1 | F | W | 45 | 11 | 18 | 0 | 42 | M. Ed. |
| H2 | F | W | 24 | 9 | 5 | 0 | 14 | M. Ed. |
| H3 | F | W | 30 | 8 | 9 | 0 | 14 | M. Ed. |
| H4 | F | AA | 36 | 13 | 9 | 0 | 23 | M. Ed. |
| H5 | M | W | 18 | 5 | 7 | 0 | 5 | Ed.D |
| H6 | F | W | 25 | 4 | 10 | 0 | 4 | M. Ed. |
| M1 | M | AA | 15 | 7 | 4 | 0 | 11 | M.Ed. |
| M2 | F | AA | 20 | 6 | 3 | 3 | 12 | M.Ed. |
| M3 | M | A | 15 | 5 | 6 | 0 | 2 | Ed.D |
| M4 | M | W | 20 | 5 | 12 | 0 | 8 | M.Ed. |
| M5 | M | W | 19 | 6 | 2 | 0 | 8 | M.Ed. |
| M6 | F | A | 12 | 5.5 | 2.5 | 0 | 8 | Ed.D |
| M7 | F | W | 28 | 3 | 12 | 0 | 15 | M.Ed. |
| A1 | F | AA | 20 | 2.5 | 7.5 | 1 | 1 | M.Ed. |
| A2 | F | W | 34 | 2.5 | 13 | 9 | 3 | Ed.D |
| A3 | M | AA | 20 | 0 | 0 | 15 | 13 | Ed.D |
| A4 | M | H | 16 | 3 | 6 | 3 | 3 | Ed.D |

Interview Question 1

The interview participants were asked questions to gain an understanding of the perceptions of school leaders as it related to their school or the school district and competition with other systems of education in the geographic area of the district. The responses were then coded in an effort to create common traits of the answers the respondents gave to each question. This coding creates clarity for responses that were provided by the participants and allows the data to be aggregated and disaggregated. Responses to Research Question 1 were coded as Y, N, or NS. The code Y means that the leader responded yes, they do believe that there is competition with other educational systems in the geographic area, such as private schools, charter schools, and open enrollment public school districts. The code N means that the leader responded no, they do not believe there is competition with other educational systems. The code NS means that they recognize that there is some competition with other educational systems; however, it did not impact enrollment of the subject school district. Only two of the 24 responses, or 8%, were N that there was no recognition of competition with other educational systems; however seven leaders did answer NS which suggested the recognition of competition but with no significant impact to the district. The majority of the responses were coded Y with 63%, or 15 of the 24 leaders, perceiving impactful competition with private schools, charter schools, and other open enrollment public school districts. There were not clear patterns that emerged among the responses of the elementary or middle school principals. Inversely, five of the six high school principals (83%) and three of the four district level administrators (75%) responded Y regarding competition. Table 14 displays the results for Research Question 1 as coded by grade

level and respondent. Some respondents were more demonstrative than others stating, “Private and charters are competing with us; we are not competing with them” (E2). Other leaders gave more generalized perceptions by saying, “We do have competitors, but I don’t know them. I think competition is based on parents’ needs” (E4).

This is the only interview question that had a strong trend between the frequency of an answer of Y and the percentage of economically disadvantaged students enrolled in the principal’s school. Of the 20 principals interviewed there were eight schools represented that had greater than 40% of their student population considered economically disadvantaged. Six of the eight principals (75%) responded Y; they did perceive significant competition with other educational systems. The other two responses were NS; principals did recognize competition with other educational systems, but believed it was not significant. None of the other questions had any response where 75% or more of the same answers came from schools with a geographic or economically disadvantaged enrollment commonality. Economically disadvantaged enrollment could not be used as predictors of principals’ responses with the exception of this first question.

Interview Question 2

The responses to Research Question 2 reveal a consistent pattern in the perceptions of the school leaders on the impact of school choice and competition with other educational systems. These perceptions have important implications that will be discussed in further detail in Chapter V. Research Question 2 was an extension of Research Question 1, but specifically asked if the leader perceived that the district or the school they led was gaining enrollment from or losing enrollment annually to competing educational systems.

The responses were coded into three categories. The code L was used when a leader responded that the district or their school lost more enrollment than they gained from competition with other educational systems. The code G was used when a leader responded that the district or their school gained more enrollment than they lost annually to competition. The code B was used when a leader felt like there was neither a loss nor a gain, but that there was balance between students entering the district from other systems or leaving the district to competing systems. Only two of the 24 respondents (8%) responded L. In light of the results of these research questions, it is important to highlight that 92% of the school leaders perceived that the district either gained enrollment from competing systems annually or that there was balance between students coming into and out of the district from competing educational public, private, and charter systems. One principal provided revealing perceptions of the loss or gain of enrollment for schools that they have led:

“I have never lost enrollment at any schools that I have led, and I have been at some low socio-economic schools. I think the difference is that years ago there wasn’t the market out there for other types of schools. There might have been some private schools out there, but most of the new charter schools like Kipp and the others weren’t available at that time, so I have not lost enrollment to them.”

(M4)

The implication that this leader makes is that there is a connection between the socio-economic make-up of the school and the vulnerability to competition with charter school systems. Another principal stated, “We don’t lose students to other schools because we are a desirable school” (M7).

Six of the seven middle school principals perceived that the district gained, code G, enrollment from competing educational systems. The other respondent felt that there was balance, code B, with no loss or gain annually to competition. There was also a strong pattern seen among the district level administrators in their perception that there was neither a loss nor gain of enrollment annually to competition. All four coded B for balanced. There were not similar distinctions in the responses of the elementary and high school principals.

Interview Question 3

Research Question 3 was designed to gain the perceptions of school leaders regarding internal competition for enrollment between schools within the district. Three codes were used to categorize the responses. Code Y was used if the leader perceived there was competition for enrollment between schools within the district. Code NS was used if the leader felt that there was competition internally, but that it was not significant enough to impact enrollment. Code N was used if the leader believed there was not internal competition for enrollment with other schools in the district. Considering all 24 responses, approximately half (54%) perceived there was internal competition for enrollment between schools where as 11 of 24 (46%) believed there was either no competition or that it was not significant to impact enrollment. There was not a clear pattern of responses among all of the principals; however, three of the four district level administrators (75%) responded Y regarding the existence of internal competition for enrollment among the schools in the subject school district. Even though there were academy systems in the secondary schools only six of the 13 principals responded Y to Research Question 3. The perception was split between six Y and the seven responses

coded as NS or N. This perception was unexpected at the secondary level in comparison to the data on academy enrollment that is presented in this chapter.

Interview Question 4

The final question focused on the leaders' intentional efforts to market their school or school district to increase or maintain student enrollment. There were four codes used to categorize the answers that the school leaders provided. These codes are important in drawing distinctions in the leaders' perceptions for the purposes of this study. This research question was asked without any preface or definition of the term "marketing". In reviewing the interviews it became apparent that coding the responses with Yes or No would not be sufficient. Each leader interviewed had personal perceptions of how to define marketing. The codes used for Research Question 4 were created to account for various understandings of the question and the terms used within the question. The code Y1 was used when respondents answered that they did intentionally market their campus or the district both internally and externally to increase or maintain enrollment for their school or the district. This code was used when the answer to the question was supported with specific examples to support the intent to impact enrollment and the intent to reach out to both internal and external stakeholders. This code was used rarely in gaining the perceptions of the subject district's leaders.

The code Y2 was used to describe responses where the school leader described actively marketing their school or the district to internal stakeholders only to increase or maintain enrollment. This code was used when the leader provided specific examples of how they had reached out to internal stakeholders to maintain or enrollment. Many of the respondents replied Yes to Research Question 4 but were not able to articulate that the

activities they engaged in were intentional to impact enrollment, or that the activities they engaged in extended beyond the concept of praise and recognitions for the accomplishments of their students and staff. These responses were coded as P to represent that they were efforts to promote an awareness of the events and accomplishments of the school, but that the efforts were not done with any consideration of enrollment. For the purposes of this study the communication was coded promotion (P) rather than marketing because it did not extend beyond the scope of the internal stakeholders of the school such as teachers, parents, and students. Some respondents believed they did market their school or the district, but when elaborating they did not articulate activities that exemplified intentional planning and execution to impact enrollment. The final code was N for no. Many of the principals reflected that they did not intentionally market their schools, and some were specific that there was not a need for them to do so. Responses such as these were coded N.

One response clearly articulated the recognition that although they had not been intentionally marketing their campus, perhaps there was now a need to do so. There was in the response a reflective realization that there was increasing competition in a relatively new and developing educational market place. They said, "I think of marketing as a commercial enterprise. I think this is a shortcoming, and maybe it is because I am 'old school,' and you do need to do more of that [marketing] now than you did 20 years ago" (H1). One leader was emphatic in their Y1 response. When asked if they market the school district to enhance or maintain enrollment they quickly replied, "All day, every day! That's my job; that's why we have a communications staff, and that is why I talk to Rotary Club, Exchange Club, and Chamber of Commerce and the Economic

Development Council. So, yes, it is my job to advocate for public schools, and I refer to it as advocating instead of marketing, but in a sense it is marketing” (A3).

There were no distinct patterns among the principals as related to their grade level or demographic information of them personally or of their school. There was a distinction between how the district leaders responded in comparison with the principals. All of the district level leaders either responded Y1 or Y2. Of the district leaders 75% of them responded Y1. Only one of the 20 principals gave a Y1 response and only four of the 20 principals gave a response coded as Y2. Only 17% of the 24 responses provided a Y1 response. The remaining perceptions of the school leaders were Y2 (21%), P (33%), and N (29%). These results indicate that 83% of the school leaders in the subject district did not articulate that they engaged in intentional marketing to internal and external stakeholders to increase or maintain enrollment in the face of competing educational systems. In consideration of the data on the net loss of enrollment annually to competing private, charter, and open enrollment public school systems this finding is alarming.

The coded results for all four research questions by school leader can be found in Table 14. Raw summary data and percentages for each question can also found in Table 14. This summary provides a visual representation of the responses to the four questions asked in interviews with the school leaders. The perceptions of the school leaders were coded in an effort to establish patterns or trends in their responses during the scripted interviews.

Table 14
Interview Research Questions Coded Responses with Summary Data

| Code | RQ1 | RQ2 | RQ3 | RQ4 | GEOGRAPHY | ED % Enrollment |
|------|-----|-----|-----|-----|-----------|--------------------|
| E1 | N | B | Y | N | I | 9% |
| E2 | N | G | Y | N | I | 33% |
| E3 | NS | G | N | Y2 | I | 10% |
| E4 | NS | G | Y | P | E | 40% |
| E5 | Y | B | Y | N | S | 73% |
| E6 | Y | G | N | P | S | 64% |
| E7 | Y | L | N | P | S | 73% |
| H1 | NS | B | N | N | W | 30% |
| H2 | Y | B | N | P | I | 20% |
| H3 | Y | G | Y | Y2 | I | 26% |
| H4 | Y | L | Y | Y2 | S | 48% |
| H5 | Y | B | NS | P | I | 37% |
| H6 | Y | G | Y | N | S | 19% |
| M1 | Y | G | Y | Y1 | W | 56% |
| M2 | Y | G | Y | Y2 | E | 72% |
| M3 | NS | G | NS | P | I | 38% |
| M4 | Y | G | Y | P | W | 19% |
| M5 | NS | G | NS | N | I | 49% |
| M6 | Y | B | NS | N | W | 6% |
| M7 | NS | G | N | P | W | 7% |
| A1 | Y | B* | Y | Y1 | | |
| A2 | Y | B | Y | Y2 | | |
| A3 | Y | B | N | Y1 | | |
| A4 | NS | B | Y | Y1 | | |

Summary of Results

| RQ1 | % | RQ2 | % | RQ3 | % | RQ4 | % |
|------|------------|------|------------|------|------------|------|------------|
| N=2 | 8% | L=2 | 8% | N=7 | 29% | Y1=4 | 17% |
| NS=7 | 29% | G=12 | 50% | NS=4 | 17% | Y2=5 | 21% |
| Y=15 | 63% | B=10 | 42% | Y=13 | 54% | N=7 | 29% |
| | | | | | | P=8 | 33% |

Results Summary

The purpose of this study was to determine if school choice and competition have had an impact on a large diverse suburban school district in Texas. The archival data from the Texas Education Agency showed that there was a net loss of enrollment annually over the three years studied from 2010-2013. Patterns related to the loss of enrollment were established in the results of the research. It was also observed that the loss of enrollment had a financial impact on the subject school district due to the loss of state funding through revenue from Weighted Average Daily Attendance (WADA) over the three years studied.

The research examined the school leaders' perceptions of competition both internally and externally, the perception of the loss or gain of enrollment to competing educational systems, and the perception of their marketing of their school to increase or maintain enrollment. The school leaders overwhelmingly perceived that there was a gain or balance in loss or gain of enrollment to competing educational systems annually. The leaders in large part did not express a genuine perception of marketing their campus or the district in an effort to increase or maintain enrollment. The implications of these results will be the subject of further discussion in Chapter V.

Chapter V

Discussion

Introduction

There is a limited body of literature on the subject of competition in the educational marketplace in Texas. This study adds to the limited discussion on the impact of school choice and competition between various educational systems in this state. The ultimate intent of this study is to incite inquiry and additional consideration of leadership practices related to competition and marketing of public schools in Texas. This chapter is a discussion of the results of the study that were revealed in Chapter IV, and how they relate to the purpose of the study. This chapter is divided into several sections, which are Purpose, Summary of Findings and Conclusions, Limitations, Recommendations for Educational Practice in Texas, and Implications for Future Study.

Purpose

In Chapter I it was suggested that there may be significant challenges regarding enrollment and market share that school leaders are facing that they have not yet identified or have failed to respond to effectively in Texas. Because of an increase in competition and school choice, enrollment and consequently state funding for public school districts may be in jeopardy. The general question was posed: do public school leaders in Texas recognize the marketization of education that is taking place? The purpose of this study was to determine what impact school choice and competition had on the enrollment of a large diverse suburban school district in Texas during the three years studied, and to determine the perceptions of school leaders related to competition and the marketing of their school or the school district to enhance or maintain enrollment. The

study used descriptive data and interview questions to determine the results that were presented in Chapter IV. This analysis of the research questions revealed patterns and trends in the impact of school choice and competition for the subject district, and the analysis of the interview questions revealed patterns that existed in the perceptions of the school leaders regarding competition and marketing for this district.

Summary of Findings and Conclusions

The results of Research Question 1 indicated that the subject district did lose enrollment to competing educational systems such as public charter schools and neighboring public school districts. According to data gathered from the Texas Education Agency, the district had an average net enrollment loss of approximately 3000 students per year to competing charter and public schools during the three years studied. Although the net loss of enrollment was not unexpected, the amount of the loss was much greater than anticipated by the researcher. The TEA data does not include estimated enrollment loss to private schools. When using the National Center for Educational Statistics estimated enrollment for private schools in Texas (5.4% annually), the estimated enrollment losses for the subject school district more than doubled. The estimated loss in enrollment for these three years represents an observable impact to the district being studied.

An enrollment pattern emerged in the results from Research Question 2 that was observable. For this district the elementary school level accounted for 68% of the loss of enrollment during the three years studied. Elementary enrollment for this district only accounted for 43% of the total annual enrollment. The average annual loss of enrollment

was the highest at the elementary level at 68%, and the lowest at the high school level at 14%. This pattern was distinct in each of the three years studied.

When the enrollment data was analyzed in relation to the geographic location there was another strong pattern in the losses. The schools closest to the neighboring large metropolitan city, coded as Eastern Border (EB) schools, had the greatest losses of enrollment. Approximately half of the schools in the district lost more than 100 students during the three years studied, and of those 74% of the schools were on the eastern border of the district. EB schools also accounted for 94% of the schools that lost 200 or more students during the three years studied. Although there were exceptions, schools coded as EB had the highest losses of enrollment at all three levels of schools and had more schools with higher economically disadvantaged student populations. A clear distinction emerged between the loss of enrollment in EB schools and schools coded as Western Border (WB). There were observable trends in the loss of enrollment related to geographic location, and the percentage of economically disadvantaged student enrollment at the elementary level and high school level. This same pattern was not found at the middle school level for this district. Elementary and high schools located on the eastern border with the higher percentages of economically disadvantaged students had the greatest loss of enrollment.

The results of Chapter IV established the existence of internal competition for enrollment at the secondary level through specialized programs called academies. The schools that were able to recruit students from outside of their attendance zone received the benefit of additional staffing and budgetary support based on the increased

enrollment. This internal competition did not, however, impact state funding for the school district as did the loss of enrollment to competing education systems.

When translated from enrollment numbers to dollars per student in Revenue per Weighted Average Daily Attendance (WADA) at the compressed rate, the financial impact on this district is notable. State funding for the subject school district was impacted due to the loss of enrollment during the three years studied. When only considering losses to charter and public schools the district lost more than \$13 million in state funding each of the three years studied for a total of \$45,894,945 from 2010-2013. This amount of lost revenue from state funding does not include estimates for loss of enrollment to competing private schools. The estimated loss of funding when including the 5.4% average private school enrollment is \$107,428,599 over the three years studied. This analysis is relevant for future planning for the school district being studied, but may also inspire other public school districts to monitor and analyze their enrollment and loss or gain in state funding.

The perceptions of the school leaders regarding competition and the marketing of their schools or the school district is alarming when juxtaposed with the data on enrollment and lost state funding. Although 63% of the leaders acknowledged that there was competition with other educational systems, only two of the 24 (8%) perceived the district was losing more enrollment than it gained annually. This perception is fundamentally flawed in light of the data collected from TEA on enrollment in charter and neighboring public schools by students residing in the attendance zones of the subject school district. There was not a strong perception of internal competition for enrollment established. Just over half of the leaders responded that they believed there was internal

competition for enrollment. Of equal concern were the perceptions of school leaders regarding marketing. At the district level there was a clear understanding of a need to market the district to enhance or maintain enrollment, and one principal also responded with a clear articulation of this need. Overwhelmingly, 83% of the respondents did not articulate efforts to market their school or district to enhance or maintain enrollment. Knowledge of the perceptions of these leaders and the loss of enrollment and funding are starting points for important discussions for the district being studied.

Limitations

Because each school district has unique characteristics related to the geographic and demographic make-up of the students and families it serves, it may be difficult to generalize these results to other school districts. School districts that are much smaller, as is the case with the vast majority of school districts in Texas, may not have the same magnitude of financial impact in the loss of enrollment that this district experienced. Rural districts may not have the same number of competing educational systems in their geographic area. Districts that are distinctly urban may be impacted differently than the district that was studied and the implications here may not apply. Another significant limitation is that enrollment in private schools is not formally or informally tracked by the Texas Education Agency and only estimates are available from the NCES and TEA. With regard to the perceptions of the school leaders this district may be unique in its marketing efforts. There are districts in Texas that have published formal marketing plans on their website for public awareness. It cannot be assumed that the district being studied is representative of other districts in the area or in other metropolitan areas of

Texas in their awareness of the competition for enrollment and the need for marketing of schools.

Implications for Educational Practice in Texas

As this district may serve as an example to hundreds of other suburban or urban districts in Texas, the term “marketing” should become common nomenclature among campus and district level leadership. Funding from the state is a critical component of the annual budgets of every school district in Texas. Few if any school districts can afford to lose significant enrollment over time without an impact on state funding that affects budgeting, staffing, and programming. The obvious implication is that districts should closely monitor enrollment patterns for the loss of enrollment. Districts may have a need to make themselves aware of all of the competing educational systems in their geographic area; this will include private schools, and charter and open enrollment public schools. Table 11 in Chapter IV contained an important implication regarding the competition for enrollment for the subject district. Approximately 67% of students leaving the district being studied were leaving for public charter schools. This is an important implication regarding who the greatest competitors may be for a district. Other school districts that have charter schools in their geographic area should track the impact on enrollment to these competing systems. In light of this study districts may intentionally develop a district wide branding and marketing plan, and may extend that plan by creating specific strategies to address geographic areas of the district that are experiencing the greatest losses of enrollment. This should include budget allocations for marketing activities. It is recommended that districts provide professional development of the district and campus leadership to establish an awareness of competing educational

systems and appropriate responses to internal and external stakeholders. Leadership at the district level should also receive professional development on developing campus based marketing plans and specific strategies to effectively market their campus to enhance or maintain enrollment. Another recommendation is for marketing of public schools to become a common component of university level leadership development programs. There is some evidence that marketing has become a topic discussed in some educational leadership programs in Texas, but this could be developed into a full course for graduate level degree programs. Finding data sources to define or track the loss of enrollment to private school systems is also a need for public schools. There may be informal methods to gathering this data that would allow districts to monitor the impact of private schools on enrollment and consequently on state funding.

Implications for Future Study

This research study raised a number of additional questions that can be considered for future study. Causality for the loss of enrollment to competing systems is not discussed in this study. This study did not attempt to determine the perceptions of the parents who left the school district for a competing educational system. What caused them to leave the subject school district? Further study could determine if there is a correlation between the academic performance rating a school has received from the state and parents' reasons for attending school in a competing system. Another topic to be studied is the relationship between the socio-economic status of families and the types of school that they attend in lieu of the public school of their residence. Another study for public schools in Texas would address this question: are there patterns of attendance in competing systems that are directly related to the proximity of competing schools to a

student's residence? Further study might be done for this district and other public school districts regarding which competing charter schools are gaining the most enrollment. This study could include the perceptions of the parents regarding the value they are receiving by attending that charter system instead of the public school or other available charter school. Further research could be produced on the efficacy of private schools and public charter schools as compared to the local public school district. A longitudinal study could examine the post-secondary completion rates at the collegiate level for students graduating from charter schools versus public schools. It is also likely that access to accredited online courses and virtual schools will continue to grow as a segment of the educational market; the impact of online learning on public education systems would also be a topic for additional research. Further study can be done to determine if other districts closely track their enrollment loss or gains? Do they have developed marketing plans that include budgets, goals and benchmarks? Which districts intentionally train their district level and campus leaders to formally market their campuses and school district? A comprehensive study of school districts in the metropolitan areas of Texas could reveal patterns of the public school districts' responses to competition and school choice. There must be a greater awareness and a sense of urgency among public school districts regarding the marketing of public schools as a result of this study. Public school districts in Texas should recognize the increasing marketization of education that is taking place, and consider ways to address the needs and expectations of 21st century learners as families find themselves with various choices for providing their children an education.

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Appendix A

Consent to Participate in Confidential Research

UNIVERSITY OF HOUSTON**CONSENT TO PARTICIPATE IN CONFIDENTIAL RESEARCH****PROJECT TITLE: School Choice, Competition, and Marketing Public Schools: A mixed-methods study of a large diverse suburban school district in Texas**

You are invited to participate in a research project conducted by Mark Foust from the Department of Education at the University of Houston. This research project is part of a doctoral thesis conducted under the supervision of Dr. Wayne Emerson.

NON-PARTICIPATION STATEMENT: Your participation is voluntary and you may refuse to participate or withdraw any time. You may also refuse to answer any question.

PURPOSE OF THE STUDY: The purpose of this mixed methods study of a large diverse suburban school district in Texas is to conduct a quantitative analysis of the number of students in recent years that reside in the attendance zone of the district but that have chosen to attend a school other than that of the public school district and to determine the impact of the district's efforts to recruit students to enroll that do not reside in the district. Another purpose is to perform a qualitative analysis to explore the perceptions of school leaders regarding competition for enrollment between schools within the district and their perceptions of competition with other forms of education such as charter schools, private schools and neighboring open enrollment public school districts. Further, what intentional actions school leaders have taken in response to their perceptions of competition will be explored.

PROCEDURES: You will be one of approximately 35 subjects asked to participate in this project. The study is mixed methods. A cross-sectional series of interviews will be used to collect information from a pre-identified set of school principals and district leaders. Each subject will be given a set of standard open-ended interview questions to review in advance. Then an interview with each subject individually will be conducted to gain answers to the questions. The interview will last 30 to 60 minutes. The interviews will be audio-taped and transcribed with the results used to identify common themes relevant to the research study. A copy of the questions for the interview is included on page four for your review prior to the interview.

CONFIDENTIALITY: Your participation in this project will be held in confidence with every effort made to maintain the confidentiality of your participation in this project. Your participation will be paired with a code number by me, the principal investigator. This code number will appear within the results of the research project. However, the list pairing the names of subjects to the assigned code numbers will be kept separate from all research materials and will be available only to the principal investigator. No names of participants will be included in the study's results. Confidentiality will be maintained within legal limits.

RISKS: There are no foreseeable risks to your participation in this research project.

BENEFITS: While you will not directly benefit from participation in this project, you will receive a copy of the research report once completed. It is hoped that the report will provide for you an addition to your body of knowledge.

ALTERNATIVES: Participation in this project is voluntary and the only alternative to participating in this project is non-participation.

PUBLICATION STATEMENT: The results of this study may be published in professional and/or scientific journals. It may also be used for educational purposes or for professional presentations. However, no individual participant will be identified.\

AGREEMENT FOR THE USE OF AUDIO/VISUAL TAPES: The interview will be audio-taped, with your consent, for transcription and use confidentially in the research project. The audio tapes will be used only for transcription purposes by the investigator. If you consent to participate in this study, please indicate whether you agree to be audiotaped during the study by checking the appropriate box below:

- I agree to be audio-taped during the interview.
- I do not agree to be audio-taped during the interview.

CIRCUMSTANCES FOR DISMISSAL FROM PROJECT: Your participation in the project may be terminated by the principal investigator:

- If you are not able to uphold interview appointments;
- If you do not follow the instructions you are given for participation;
- If the doctoral thesis advisor decides to stop or cancel the project.

SUBJECT RIGHTS

1. I understand that informed consent is required of all persons participating in this project.
2. All procedures were explained to me and all questions answered to my satisfaction.
3. Any risks and/or discomforts have been explained to me.
4. Any benefits have been explained to me.
5. I understand that, if I have any questions, I may contact Mark J. Foust at mjfoust@uh.edu or Dr. Wayne Emerson, UH faculty sponsor, at 713-743-5059.
6. I have been told that I may refuse to participate or to stop participation in this project at any time before or during the project. I may also refuse to answer any question.
7. ANY QUESTIONS REGARDING MY RIGHTS AS A RESEARCH SUBJECT MAY BE ADDRESSED TO THE UH COMMITTEE FOR THE PROTECTION OF HUMAN SUBJECTS (713-743-9204). ALL RESEARCH PROJECTS CARRIED OUT BY INVESTIGATORS AT UH ARE GOVERNED BY REQUIREMENTS OF THE UNIVERSITY AND FEDERAL GOVERNMENT.
8. All information obtained in connection with this project that can be identified with me will remain confidential as far as possible within legal limits. Information gained from this study that can be identified with me may be released to no one other than the principal investigator and UH faculty sponsor. Results may be published in journals, professional publications, or presentations without identifying me by name.

I HAVE READ (OR HAVE HAD READ TO ME) THE CONTENTS OF THIS CONSENT FORM AND HAVE BEEN ENCOURAGED TO ASK QUESTIONS. I HAVE RECEIVED ANSWERS TO MY QUESTIONS. I GIVE MY CONSENT TO PARTICIPATE IN THIS STUDY. I HAVE RECEIVED (OR WILL RECEIVE) A COPY OF THIS FORM FOR MY RECORDS AND FUTURE REFERENCE.

Study Subject (print name) _____

Signature of Study Subject

Date

I HAVE READ THIS FORM TO THE SUBJECT AND/OR THE SUBJECT HAS READ THIS FORM. AN EXPLANATION OF THE RESEARCH WAS GIVEN AND QUESTIONS FROM THE SUBJECT WERE SOLICITED AND ANSWERED TO THE SUBJECT'S SATISFACTION. IN MY JUDGMENT, THE SUBJECT HAS DEMONSTRATED COMPREHENSION OF THE INFORMATION.

Principal Investigator: Mark J. Foust

Signature of Principal Investigator

Date

INTERVIEW QUESTIONS

Administrative Background

1. How many years of experience do you have in education total?
2. How many years of experience did you have as an assistant principal?
3. How many years of experience do you currently have as a building principal (including this year)?
4. How many years of experience do you currently have as a district level school leader? (if applicable)
5. How many years of total administrative experience do you have with this school district?
6. What is your current educational level?

Perceptions of Competition

7. What is your perception as a (principal / school leader) regarding competition with other educational systems that are offered in the geographic area such as private schools, public charter schools, and neighboring open enrollment public school districts?
8. What is your perception as a (principal / school leader) regarding the significance of the loss or gain in student enrollment annually to the district or to your school?
9. What is your perception as a (principal / school leader) regarding competition (with other / between) schools within the district?

Perceptions of Marketing

10. Are there ways that you as a (principal / school leader) intentionally engage in marketing of this public school district or your public school to enhance or maintain student enrollment?

Appendix B

E-Mail Invitation to Participate in a Research Study

E-Mail Invitation to Participate in a Research Study

Dear Principal / School Leader,

You are invited to participate in a research project conducted by Mark Foust from the Department of Education at the University of Houston. This research project is part of a doctoral thesis conducted under the supervision of Dr. Wayne Emerson. The title of the study is: **School Choice, Competition, and Marketing Public Schools: A mixed-methods study of a large diverse suburban school district in Texas**

I would like to invite you to participate in a 10 question interview that would last 30-60 minutes. Before considering whether you would like to participate you can gain further details of the study by opening the attachment "Consent to Participate in Confidential Research." If you are interested in participating you can simply reply to this email. I will contact you to schedule the interview at your convenience.

This project has been reviewed and approved by the University of Houston Committees for the Protection of Human Subjects (713)743-9240.

Thank you for your consideration,

Mark Foust

Appendix C
IRB Approval Letter

UNIVERSITY of HOUSTON

DIVISION OF RESEARCH

March 27, 2014

Mr. Mark Foust
c/o Dr. Michael Emerson
Dean, Education]

Dear Mr. Mark Foust,

Based upon your request for exempt status, an administrative review of your research proposal entitled "SCHOOL CHOICE, COMPETITION, AND MARKETING PUBLIC SCHOOLS: A MIXED METHODS STUDY OF A LARGE DIVERSE SUBURBAN SCHOOL DISTRICT IN TEXAS" was conducted on February 26, 2014.

At that time, your request for exemption under **Category 2** was approved pending modification of your proposed procedures/documents.

The changes you have made adequately respond to the identified contingencies. As long as you continue using procedures described in this project, you do not have to reapply for review. * Any modification of this approved protocol will require review and further approval. Please contact me to ascertain the appropriate mechanism.

If you have any questions, please contact Samoya Copeland at (713) 743-9534.

Sincerely yours,



Kirstin Rochford, MPH, CIP, CPIA
Director, Research Compliance

*Approvals for exempt protocols will be valid for 5 years beyond the approval date. Approval for this project will expire **March 1, 2019**. If the project is completed prior to this date, a final report should be filed to close the protocol. If the project will continue after this date, you will need to reapply for approval if you wish to avoid an interruption of your data collection.

Protocol Number: 14280-EX

Appendix D

District Approval Letter

Dear Mr. Foust,

Your research application titled “**School Choice, Competition, and Marketing Public Schools: A Mixed Methods Study of a Large Diverse Suburban School District in Texas**” (Application No. 2014-2) has been approved by [REDACTED] ISD. You have the district approval to conduct your research with **district principals, department directors or executive leaders** from **Feb. 6, 2014 to Sept. 1, 2014**. **Please note that despite the district approval, individual staff participation is completely optional.**

This email will serve as an approval letter. If you need an official letter with the [REDACTED] ISD letterhead, please let us know and we can provide one as well.

When you complete your research, please submit the Data Collection Completion Notification Form (available on the [REDACTED] research website) and share with us your findings in a summary.

We wish you good luck in your research efforts. If you have any further question, please let us know.

Yuping Anselm, Ph.D.

Coordinator of Research and Program Evaluation

[REDACTED] Independent School District

Tel: 281-[REDACTED]-1296

Fax: 281-[REDACTED]-1532

Email: [yuping.anselm@\[REDACTED\].isd.com](mailto:yuping.anselm@[REDACTED].isd.com)