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OPEN ENROLLMENT PROGRAM

Under the full-time interdistrict open enrollment program, Wisconsin students may apply to attend school in any K-12 public school district in the state, regardless of whether or not they live in the district. Families of students who transfer from their local district do not pay tuition. However, a local district loses state aid for each student who transfers to another district and gains state aid for each student who transfers from another district.

The program first took effect in the 1998-99 school year. It is designed to encourage competition among districts as a means of fostering improvement in public schools, and to provide families with increased flexibility in their educational choices. The Department of Public Instruction's costs to administer the program were \$142,300 in fiscal year (FY) 2001-02. Additionally, an estimated \$304,000 was spent to assist low-income families with transportation costs. State aid for each student's instructional costs is transferred from the sending to the receiving district, so these costs are revenue neutral from the State's perspective. In FY 2001-02, the state aid transfer amount was \$5,059.

Participation Has Increased Each Year Since the Program's Inception

In the 2001-02 school year, 9,457 students participated in the open enrollment program, and all but 1 of Wisconsin's 426 school districts had at least one student participating. Student participation has increased each year since the program's inception, and total transfers nearly quadrupled from the 1998-99 school year through 2001-02. Nevertheless, only 1.1 percent of all Wisconsin public school students participated in the program in 2001-02. Participation rates are comparable to initial participation rates in other midwestern states.

Although only a small percentage of all public school students participate, participation rates are significantly higher in some small districts. For example, 28.8 of 70 students in the Linn J4 district, or 41.1 percent of that district's membership, participated in open enrollment in the 2001-02 school year. In districts with larger memberships, rates of participation were lower but the number of students participating was frequently greater. For example, 1,331 students left Milwaukee Public Schools (MPS) for nearby suburban districts, which did not lose equal numbers of students to MPS. Academic performance in districts appears to influence participation in the program. We compared district performance measures collected by the Department to transfer patterns for 30 pairs of districts, to identify whether open enrollment transfers were more likely to be toward higher- or lower-performing districts. In 10 transfer pairs involving MPS and suburban districts, and in most of the 20 pairs that did not involve MPS, students transferred to districts with higher academic test scores.

Fiscal and Programmatic Effects Have Been Limited to a Few Districts

It is too early to determine whether public schools have improved as a result of district competition

to retain and attract students. Few districts report developing new or innovative programs in response to open enrollment, perhaps because most gained or lost 20 students or less. Only 53 of 426 school districts had net gains of 21 or more students under open enrollment, and only 41 districts had net losses of 21 or more students. Fiscal effects of the program have been limited to those districts that experienced significant participation. In 2001-02, 308 of the 426 school districts had net gains or losses of less than \$75,000. However, several districts gained or lost significant amounts of state aid.

Minority Student Participation Has Been Relatively Low

Minority students participate in the open enrollment program at lower rates than their representation in school districts: 19.9 percent of all public school students belonged to one or more minority groups in 2001-02, but minority students accounted for 11.6 percent of open enrollment transfers in that year. In contrast, 80.1 percent of all public school students in 2001-02 were white, but white students accounted for 84.7 percent of open enrollment transfers. It is unclear why minority students, particularly African-American and Hispanic students, are participating in open enrollment at lower rates. However, one reason minority participation might be lower in the Milwaukee area is that minority students in MPS have other public school choice options, including Chapter 220 and the Milwaukee Parental Choice Program.

Increased Participation through Virtual Charter Schools Could Increase Costs

Open enrollment, the Internet, and the charter school law have created a situation that may not have been anticipated: the possibility of the State funding the cost of education for students who are home schooled. At least two Wisconsin school districts have considered creating Internet-based charter schools and attracting home-schooled and other students from throughout the state through the open enrollment program. Enrolling 50 percent of the estimated 20,382 students who are currently home schooled would represent more than \$52.9 million in additional transfer payments and would significantly increase school costs eligible for state general school aids. School district staff are also concerned about the increasing administrative burden of processing open enrollment applications, and program rules related to special education are under federal review.

[full report, PDF file \(539KB\)](#)