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HOW DO SCHOOL SYSTEMS REACT?

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RANDY ALLEN LIEPA

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A STUDY OF SCHOOL CHOICE AS A REFORM MODEL: HOW DO SCHOOL SYSTEMS REACT?

By

Randy Allen Liepa

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ABSTRACT

A STUDY OF SCHOOL CHOICE AS A REFORM MODEL:
HOW DO SCHOOL SYSTEMS REACT?

By

Randy Allen Liepa

This study focuses on how school districts in Michigan are reacting to school choice initiatives that have been implemented in their state. It addresses the major philosophical debate of whether choice policy will act as a reform model to improve schools through competition. It also analyzes the impact of specific rules implemented as part of a choice program.

Specifically, the study tests theoretical frameworks which outline how schools are expected to react in a competitive market environment. One theory suggests that school reform and subsequent improvement will occur as schools will have to provide a desired product in order to survive. Another theory suggests that schools will react in their own best financial self-interest, and correspondingly won't always change. Instead, they will market existing services to similar students in neighboring districts, leading to little innovation and possible racial/ethnic and socio-economic sorting and skimming of students.

To test the theories and learn more about the impact of choice as a school policy, the study looks at seven school systems and asks two main questions. First, will schools react to competitive forces by competing with other school systems for students? Second, if they do compete, in what ways will they do so (improving services, marketing, filling open seats with nonresident students to generate revenues).

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A qualitative study of the seven school districts was chosen in order to take an in-depth look at the dynamics school systems encounter when faced with competition over students. The districts are located in a highly populated suburban area located in a major metropolitan center (Detroit), with a great degree of racial, ethnic and socio-economic diversity.

Findings show that in the research setting studied, race, class and prestige were prominent factors in decision-making. School districts had to consider that existing residents may move if they allowed students to come to their school system that would upset their racial/ethnic/socio-economic balance. Thus, the short-term benefits of increasing revenues may be offset for some districts by long-term enrollment loss as a result of their actions.

ACKNOWLEDGMENTS

The research committee of Dr. David Plank (chair), Dr. Gary Sykes, Dr. David Arsen, and Dr. Richard Hula were instrumental components in the research as they have been intensely studying the school choice issue nationwide and specifically in Michigan.

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INTRODUCTION

School choice has been one of the most talked about educational policy topics in recent years. The concept has attracted supporters from educational reformers to poor, inner-city advocates who have pushed for parental choice for less fortunate children.

Arsen, Plank, and Sykes (n.d.) identify two main arguments used by advocates in support of school choice policy. The first is an irrefutable moral argument that says it is unfair to force parents—and especially poor parents—to send their children to schools that are failing or to schools they dislike with no other option for them. The opportunity to choose a school that is preferred should be an option for all parents, not just middle- and upper-class ones. The second argument claims that introducing market competition and market discipline into the education system will improve the performance of *all* schools. It is this second argument, the main argument for many educational reformists, that has yet to be proven. Much has been written about how the educational establishment will react to choice competition, but it has often been centered on the development of theoretical frameworks as opposed to empirical evidence. These theoretical frameworks try to predict how the educational system would evolve under such policy.

There are several prevailing theoretical arguments regarding how school systems are expected to react to the introduction of choice into their environment. They include the following:

- Schools will change and improve programs and services to try to either maintain students or attract new students and their corresponding revenues.
- Schools will be more customer oriented in order to try to either maintain students or attract new students and their corresponding revenues.

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- Schools will not change their programs and services but will market their existing programs and services and fill open seats in order to increase their revenues, causing turf battlegrounds with winners and losers.
- Schools will attract students in a choice environment based on race and/or ability, causing elitism and segregation.
- Schools will look to improve perception factors (i.e., test scores, facilities, etc.) in order to attract and retain students in the competitive environment.
- Schools will react to political pressures within their community as they are still public bodies.
- Schools will react to other unique local dynamics that exist within their community, such as the preferences of school leaders or special interest groups.
- Schools, rather than competing with other schools, will choose to develop collaborative arrangements with them.

The question remains: Will schools compete, and if so will that improve public education? This study collects empirical data to help provide an understanding of how school systems are reacting to the implementation of school choice policy. And because theorists' expectations of *how* the public school establishment will react differ, and each theory possibly has significant social ramifications, such data will be valuable for those trying to determine the value of choice policy in education.

The key to this study will be to enter the playing field and study in depth what complex dynamics are occurring that are actually driving school system reactions to choice initiatives. This is expected to uncover data that will help provide a keener understanding of what ramifications choice policy can have as opposed to just hard data

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such as who is gaining or losing students through new choice options. While interdistrict choice is the focus, certainly other choice options, especially charter schools, will have an effect on how districts are reacting to new choice policies.

The Key Questions to Be Answered

In the research setting to be studied, the law lays out that schools must choose whether or not to participate in the choice program (allow nonresidents to come to their schools). The first key question this study undertakes is Will schools compete? Choice advocates would anticipate that schools will need to compete in order to survive. But school boards will face other pressures that may influence them, such as community and political forces looking to preserve their student body composition or sense of community. Thus, the first task of this study is to determine whether schools are opting into the choice program, and then determine why or why not.

The second key question is If schools are competing, in what ways are they doing so? Theories of how schools are expected to react to choice initiatives are listed above. Not only will this study identify within the research setting what ways schools are reacting as compared to how it is anticipated they will, but it will look in depth into why they have done so. This key information will help provide insight regarding the impact choice policy can have on an educational setting.

Qualitative Study to Measure Choice Impact

To answer the two key questions noted, a case study of seven different school districts, all with interesting dynamics relating to how choice may impact them, will be completed. It will be important to delve deeply into what the key factors were in school

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districts' reactions in order to develop a thorough understanding of the impact of the new policy and how it compares with the different theoretical frameworks proposed. The research setting will be school systems in the state of Michigan, where choice initiatives have been implemented recently and are being tried extensively.

While the results of the study will not be able to be generalized or quantified to other choice settings because of the very specific policy rules (by which Michigan law structures its choice programs) and setting (its unique environment and culture) involved, they can provide insightful and useful information about how in these specific instances the system responded to a choice initiative, and at least in these instances what were the factors causing the actions of the players.

Significance of the Study

This study looks to provide a small, yet revealing piece to a large policy puzzle in American education, school choice. The better we understand the dynamics of how schools will react to market forces in their environment, and what are the key factors in their reactions, the better we will understand the value (or harm) that may occur as a result of such policy. Such knowledge could also provide insight as to what types of things policymakers need to consider as they contemplate choice initiatives. While researchers and policymakers now can point to perceived successes or failures with initial choice policies undertaken, they have not determined what actually occurred that made school systems react as they did. A real understanding of the dynamics brought forth by choice will be extremely valuable when trying to predict what may occur if such options are expanded.

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Not only can this study provide useful data for evaluating key theories that exist regarding choice, but it can also provide feedback for very specific rules that have been implemented in one type of school choice program. Thus, the information can be useful to educational policymakers both throughout the world and in Michigan.

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THEORETICAL FRAMEWORK

How Will School Systems React to Choice Policy? Choice as a Reform Model to Improve Public Schools

Two main arguments were identified in the introduction that advocate the policy of school choice. While one has to do with the philosophical position that it is the parents' right to choose their child's school, the other has to do with the theoretical position that choice will create better schools for all. The latter position assumes how schools will transform and exist under such policy, and is yet to be proven. The theory is that reform in the public schools is needed to improve the education students are receiving. And it is felt the choice model will provide the needed reform. Clinchy and Young (1992) describe the idea of choice as a school reform model:

> While the first wave of school reform sought improvement in student performance and teacher quality by mandating additional graduation requirements, increased testing of both students and teachers, and upgraded teacher salary and certification, the second wave seeks improvement by changing the ways public schools are organized and controlled. Some reformers see increased choice in public education as a powerful tool for bringing about positive change in America's schools (p. 1).

Clinchy and Young (1992) add that reformers explain the theory of competition in education by describing how the current system exerts no real authority or incentive to force schools to improve (since school boundary rules guarantee a captive client base), thus allowing poor and mediocre schools to survive. They feel that pressure to improve will be impressed upon poor and mediocre schools only by threatening their existence through competition. In other words, they will have to provide good schools or risk losing

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This reform theory makes assumptions about how schools will react to the introduction of competition (or "markets"). Thus, the ultimate test of this theory is to measure how existing public schools actually react to market forces introduced into their environment. This study seeks to address two key questions as this theory is tested. First, will school systems compete? And second, if they do, how will they compete? Will they need to improve their service to compete? Or could such reaction to market forces cause unintended consequences (segregated schools, elitism, little or no improvement in public schools)?

Theoretical Diagram: Will Schools Compete?

The first question this study raises is whether school districts will react to a new environment that has incorporated school choice policy by competing for students. One thought is that they will need to do so in order to retain their student base and corresponding funding level (as students are funded on a portable per student basis, with funding following the student to whichever schooling institution he or she attends). But since school systems are still operated by publicly elected bodies, many other pressures can come into play in their decision to compete. In the research setting being studied, school systems have to make a conscious decision about whether to compete against neighboring school systems as they have the choice of accepting or not accepting nonresident students. Figure 1 shows a theoretical model that lays out the factors that will influence a school system's decision about whether to compete in such a setting.

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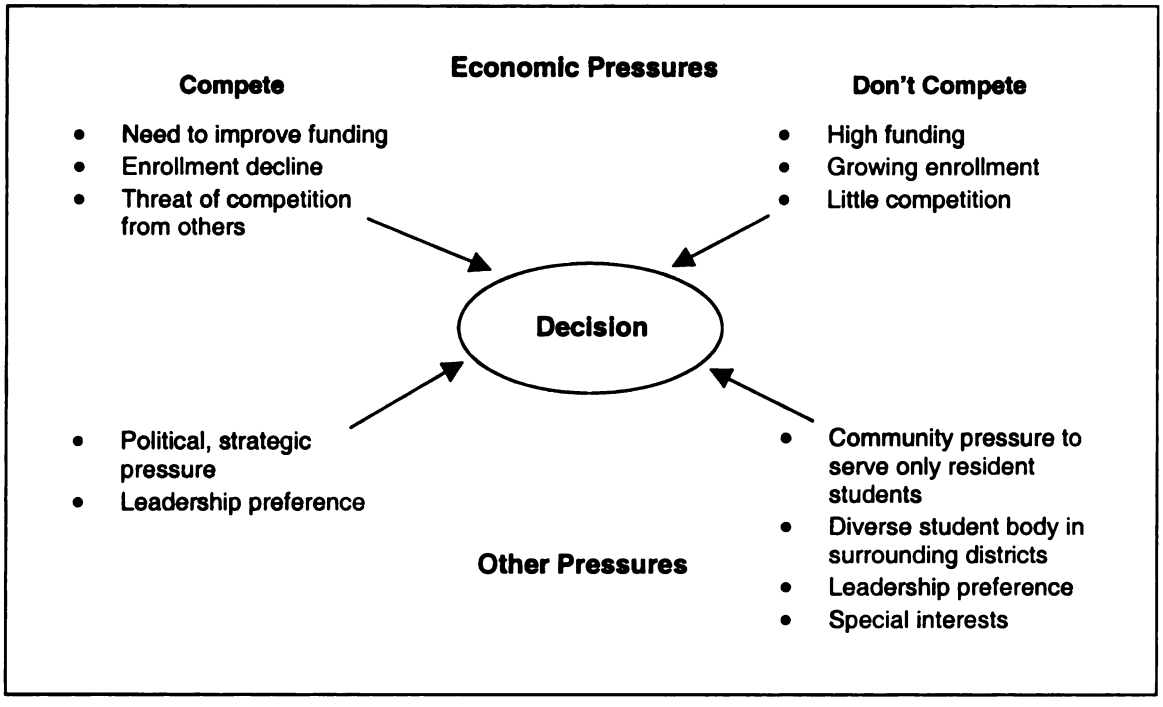
Figure 1. Will Schools Compete or Not? A Decision-making Model



As shown in Figure 1, the local decision process that school boards will go through is a complex one, with several different factors coming into play. The relative strength or weakness of each factor as compared with other factors should sway school systems toward competing or not competing. Arsen, Plank, and Sykes (n.d.) note that state choice policies generate very different responses across local educational systems. They recognize the complexity of a variety of factors that come into play as local boards go through the decision-making process. The following descriptions will outline the documented theory that supports the above model.

Economic Pressure

Competition, the Need for Additional Funding, and the Effects of Declining Enrollment

The first main assumption is that schools under choice policy will have to compete to survive. Funding will be related to enrollments, and thus enrollment trends

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and the need to maintain one's student base will be key. Thus, market forces will develop with schools looking to attract new students, which will cause other school systems to react. It is important to add at this point that market forces in this arena are defined as (1) school systems that are looking to attract other systems' students to obtain market share (maybe starting a new school or charter school); (2) existing schools looking to improve or augment their existing resources by increasing their student base; or (3) school systems suffering stagnant or declining enrollment growth, thus looking to replace or grow their revenue base through accepting nonresident students. All three instances highlight schools looking to retain students or attract new students. This is expected to cause reaction by other school systems that feel the economic pressure to maintain their student and funding base.

The most well known work completed on how the introduction of choice and competition will affect the education field is that of Nobel-winning economist Milton Friedman. Friedman argued that market forces introduced into the educational field will force school systems to react by competing and eventually becoming more efficient in order to survive (Freidman 1962). We will weave in more on Friedman and other key supporters of choice as a reform method later. This theory is summarized succinctly by the Reverend Matthew R. Harris, director of Project Impact in Los Angeles, who said, "If good schools could attract students *and funding* away from the bad ones, the bad ones would get motivated right away. They would have to work harder and smarter" (as cited in Harmer 1994, p. 5). This quote identifies the effect some feel economic pressure will have on school systems.

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Little Competition, High Funding, and Growing Enrollment

It is important to note in this discussion that not all schools will face the same economic pressures. Arsen, Plank, and Sykes (n.d.) note that school systems that are growing in enrollment, are well funded, or face few competitive options nearby obviously would feel less pressure to compete. They also note that this is true for school systems in relatively wealthy, homogeneous areas as parents who can afford it are already there based on the quality of local schools. And likewise they note that schools who are from diverse (racially, ethnically, economically) areas are likely to have more competitors and be under pressure to compete as they will struggle to meet a diverse set of needs.

Other Pressures

Local Dynamics: Community Pressure, Political Pressure, Diverse Surrounding Student Pool, and Leadership Preferences

While it is the feeling of some reformers that schools will react to market conditions if imposed on them, there are other conditions that need to be recognized that could also affect how the school establishment reacts to choice initiatives. This is a strong consideration when recognizing that schools are still public bodies that are controlled by governmental rules. These other factors include unique local dynamics such as community involvement, school board dynamics, special interest groups, the student makeup of surrounding school systems, and leadership preferences. The impact of these factors will be very different in each distinct school community.

The Influence of Leadership

The position a local school board and its superintendent have on the choice issue will be an integral piece regarding how local schools react to any new choice initiative.

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And how influential the board or superintendent is will depend on the political dynamics in that particular community.

Donald Layton and Jay Scribner (1995) describe the decision process in the public sector as one that is most definitely influenced by those who hold leadership positions at any time. They explain that while conservative and liberal ideologies persist over time, the contests over current issues take place in existing political arenas, and these issues can change as individuals move in or out.

Their research supports the theory that playing fields change because of individuals who are in position to wield influence over other players. And these influential players themselves bring personal experiences and values to the playing fields (Layton and Scribner 1995, 202). Indeed, the disposition of the superintendent and/or influential board members regarding any public policy will have great influence on how their organization reacts to that policy. As Scribner and others describe it, key players "bring their own predispositions, visions, and values to the political arena, as they seek to control agendas and determine outcomes, manage bureaucratic myths and their own images, gain control of real and symbolic resources, and manipulate implementation processes" (Layton and Scribner 1995, 202). The personal values and philosophies these key players bring with them are expected to have a strong effect on district policy.

Politics and Community Pressure

Lasswell has characterized politics as "who gets what, when and how." Stout describes the politics of education as ultimately resolving distributive questions not only in a material sense, but as well in terms of the citizenry's competing values, attributes, and ideologies (as cited in Layton and Scribner 1995, 15).

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And while the values and dispositions of educational leaders will play a key role in the decision-making process for local school systems, so may other key players in the political field. School administrators, union leadership, school organization and lobby consortiums, neighboring school organizations, legislators, local government leaders, community elites, and special interest groups can all play a key role in the decision process, as they at times have enormous influence on board policy (or those on the board who make such policy).

An illustration of this point is made by Peterson in his book *City Limits* (1981). He states that communities in a desirable position are not going to want to give up that position by "redistributing" resources to noncommunity members (such as nonresident students). Nor will such communities want to weaken their property values and thus economic interests by changing the perception of desirability of their community. While this could be considered a market force, the political actions of community members to protect a certain part of their interests pull against the pure competitive model of vying for students. Thus, each school system has its own set of local dynamics that the above-named stakeholders collectively create, and this phenomenon directly impacts how school systems react to any issue.

The control these different actors will have on local school districts and their local policy decisions depends on what level of, as Weeres and Cooper (as cited in Cibulka, Reed and Wong, 1991) define, market controls are placed on school boards and administration. They define market controls in a school setting as the ability of individuals to affect policy through voice or exit. They state that the stronger the market controls that exist in a school community, the more responsible the board will be to the

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collective community. Moderate market controls produce politicized boards. Weak market controls permit boards to develop political machine–like characteristics (as cited in Cibulka, Reed and Wong 1991, 62). Thus, the stronger a school system's market controls are (as just defined), the less likely outside influences will have an impact on the decision-making process. The weaker the market controls are, the more likely a special interest group could have an impact on school decision making.

Weeres and Cooper (as cited in Cibulka, Reed and Wong 1991) draw a table (Table 1) to help describe market controls based on existing school district characteristics, which supports the conclusion above.

Table 1. Effects of Market Controls on School Politics

	Strength of Controls		
	Strong	**Moderate**	**Weak**
Economic status	Affluent	Middle-class	Poor
Demographic composition	Homogeneous	Heterogeneous	Homogeneous
Board politics	Trustee	Unstable majorities	Machinelike
Administrative bureaucracy	Professional and administratively efficient	Street-level bureaucratic and moderately efficient	Insular and allocationally inefficient
District policies	Coherent with low divisibility	Disjointed with moderately high divisibility	Disconnected from population/low divisibility
General type	Quasi-private schools	Politicized schools	Monopolist schools

Peterson (1981) says that because most citizens are even less involved in local affairs than in national affairs, relatively small groups of citizens with particular interests or concerns can exercise undue political weight. And thus, politics and local dynamics can influence a school district's reaction to choice policy. The level of effect will be

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influenced by the strength of controls the community has on its key players. The lower the control, the more opportunity individuals, special interest groups, and elites will have to affect the decisions made.

One Key Local Dynamic: Surrounding Student Pool

As mentioned above, communities in a desirable position are going to be less likely to want to share their good stead with those outside their community. Arsen, Plank, and Sykes (n.d.) describe that *every* school has an interest in selective admissions, because parents care about their children's classmates' and peers' effect on educational outcomes. Consequently, decisions to compete can be based on student body composition as opposed to educational programs. This is a very real consideration that each board will have to consider and is possibly the most recognizable factor across districts as they struggle with whether they will compete or not. Community and political pressure could be waged against school boards based on this very sensitive topic.

Summary—Will Schools Compete?

Thus, what you have is a complex interaction between market forces pulling school systems in one direction and other forces potentially altering that direction depending on their influence and also the strength of the market force. Economic pressure created by the financial need to maintain and attract students will be weighed against other pressures created by key players in the community. Such pressures are different in each community. This should lead to a variety of actions school systems will undertake.

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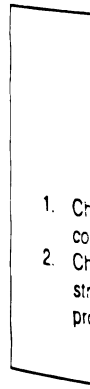

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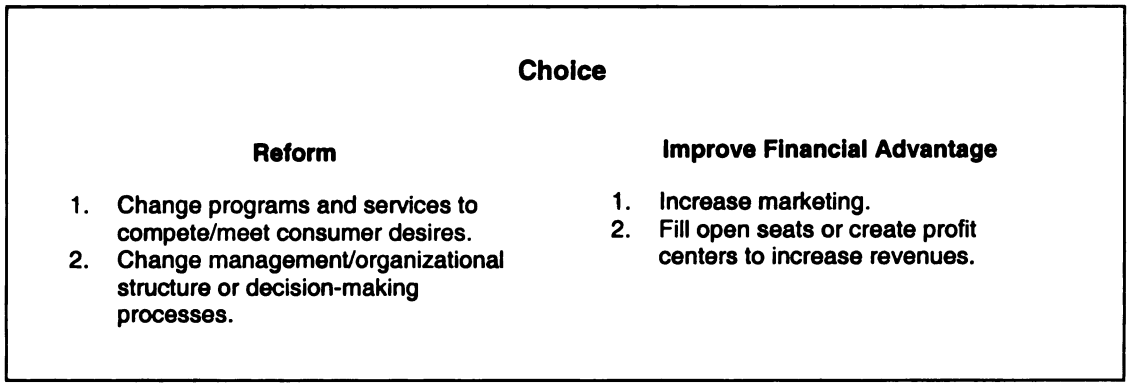
Theoretical Diagram: In What Ways Will Schools React to Competition?

The second question this study raises is: If schools compete, in what ways will they do so? School reformists who support choice believe that schools will have to compete in ways that will force them to be more responsive to their customers, and thus they will provide better and more consumer-oriented services. Others believe that schools will not necessarily improve and that possible negative social consequences, such as increased segregation, will result. Based on a study of different theories, Figure 2 outlines different ways schools are anticipated to respond to market forces unleashed in their environment.

Figure 2. School Reaction to Choice Initiatives



Choice and Competition Causing Schools to Change Programs/Services

The most significant reaction that school systems are expected to have that inspires choice advocates, and is yet to be proven, is the notion that schools will improve in response to a competitive environment. As mentioned earlier, the most well known work done on how the introduction of choice and competition will affect the education field is that of Milton Freidman. The more recent work of John Chubb and Terry Moe

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can be added to that. Freidman argued in *Capitalism and Freedom* (1962) that, where possible, we should avoid providing goods through the government. Instead they should be provided through economic markets. While he recognized the purpose for public funding of education through taxes, he felt that this does not require the service to be provided by the government.

Freidman outlines in his work that the current educational system is a huge, unresponsive bureaucracy, with its lack of responsiveness an inevitable outcome of its freedom from competition. Friedman theorizes that consumer options through competition forces organizations to be more responsive to customer needs and preferences. Additionally, he says that under a market system, service providers will be constantly looking to improve their services.

Chubb and Moe (as cited in Robinson 1993) take this a step further in their study of data on how public schools compare with private schools. They argue that past reforms such as new spending, curriculum changes, teacher training, and facility improvements have simply been a waste of effort because it is the basic top-down bureaucratic structure that is flawed. They write, "Institutions of democratic control work systematically and powerfully to discourage school autonomy and, in turn, school effectiveness. If public schools are ever to become substantially more effective, the institutions that control them must first be changed." They argue that when parents can decide which schools their children will attend, a market in education will emerge. And then teachers and principals will begin to respond less to the state legislatures and education bureaucracies and more to parents (as they noted in private schools). And from this, the power will shift to parents, and education will improve.

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Other advocates of choice programs also believe that such plans will create schools that offer greater parental involvement, satisfaction, empowerment, commitment, and sense of community (as cited in Bauch and Goldring 1995, 1). These are the types of reactions or reforms Chubb and Moe believe will improve schools.

Noted educational leader and choice supporter Chester Finn cites recent research that shows public school choice causing schools to "break down governmental controls" and develop self-renewal strategies, both characteristics of effective schools (and both usually absent in standard public schools). He also notes research that has shown choice can lead to improved educator professionalism, effective integration, and enhanced student achievement, particularly for students of lower socioeconomic status (Kirkpatrick 1990, x).

Thus, one theory holds that schools will react to choice initiatives by becoming more sensitive to the forces of the market. In order to survive in a new competitive market, they will be pressured to become more responsive to their customers rather than to a bureaucracy. In doing so, schools will be empowered to make good, sound choices and decisions when it comes to providing educational services. Again, if they make bad choices, they won't survive. A scenario would be painted by some reform theorists similar to the one drawn in the book *American Education and the Dynamics of Choice* (Rinehart and Jackson 1991, 135–37), where the following is envisioned:

> Change would become commonplace under choice. The message would be clear: cause learning of the kind parents and students want or go broke. A school's profit would be tied more directly to the classroom. Competition would develop for the best teachers and administrators. Ineffective teachers and administrators would come under increasing pressure to improve or face low salaries or dismissal.

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A significant acceleration of variety would lead to significant improvements in education. Each school would undoubtedly seek to develop its own unique character. Parents and students would select according to their personal preferences. Community agencies and charitable organizations would jump in to help parents become informed and make wise decisions. Schools would be evaluated and ranked much like the universities are now. Each school would have a strong incentive to advertise its unique programs, thus additional information would be available. And aspects of education currently ignored would become hot topics.

Changing Management/Organizational Structure and/or Decision-Making Processes

As an offshoot to the above reaction (whereby schools will improve to compete), some theorists believe that the traditional school bureaucracy itself will change. They anticipate that the existing system will need to respond to the needs of parents in a way that will allow them to remain competitive. Thus, schools will need to change the way they are structured and make decisions.

Chubb and Moe (1990) argue that political presence in the existing structure causes parents to have less power because of certain structural processes that are part of the political arena, specifically the inherent power of organized groups over disorganized groups.

They conclude that teacher and administrator autonomy is the most important influence on student achievement. They make the assumption that private schools are organized to offer greater autonomy at the building level to meet parent needs, while public schools are stymied by bureaucratic control created to meet political needs. Thus, with the introduction of choice options, they predict public schools would be forced to react to competitive forces at the building level as private schools have in order to keep

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their student base (and related funding). If they did not, the existing bureaucracy would fail as students would leave for other schooling options that met their needs.

Related to this theory, a characteristic identified in the research as an integral part of effective schools has been a positive school climate. Linking this to choice, Gregory and Smith (as cited in Raywid 1989) completed an extensive study of the climates of public schools of choice and noted that climates in such schools are better. As Chubb and Moe (1990) would argue, this appears to be due to schools having more autonomy, flexibility, and responsibility. Thus, it can be theorized that public schools will see an improvement in local climate (resulting in effective schools) once market powers are unleashed and they are given more authority.

Thus, Chubb/Moe and Gregory/Smith both believe that choice options will cause schools to change their management/organizational structures and processes for decision making to meet the needs of parents in order to keep them as satisfied customers.

Using Choice to Increase Revenues by Filling Seats or Creating Profit Centers, Creating Winners and Losers

While one theory holds that schools will react to market forces by improving their services (through decentralization, empowerment, and responsiveness to consumer need rather than to political pressure), others see schools reacting to competition and market forces in other ways.

As it relates to how schools would respond to choice initiatives, it is conceivable that innovation and quality education would not be a response of schools. Rather, schools would respond with whatever action would be most economically feasible or advantageous. As Fege writes:

> Voucher proponents assume a cause-effect relationship between competition and quality in the marketplace and that a similar dynamic would work with schools. In business, however, the relationship between competition and quality is a function of profit. If a company can show a greater profit by providing a cheaper, lower-quality product, it will. . . . A company is not in business to give the consumer the best product . . . but to improve its profit margin by any method that will work. Competition, then, impacts pricing far more than it does product quality (as cited in Doerr, Menendez, and Swomley 1995, 105).

Fege's point is that reactions to markets can take a variety of forms (including but not limited to a quality product), tied to the organization's maintaining economic viability first. In education, this could mean marketing existing programs in an effort to generate additional funds by filling open classroom seats, creating inexpensive programs that generate "profits," providing important services (i.e., child care or transportation), segregating students, downsizing, weeding out expensive students, seizing political clout, or changing program offerings. And the potential outcome from these changes may not meet the exact expectations of reform theorists.

Segregation and Sorting as a Process of Efficient Markets

As Jeffrey Henig (1994) describes, "In adopting the language of microeconomic theory, many advocates have also adopted a naïve vision of choice benefiting all and harming none; this is the appeal of perfectly functioning markets. But in practice, expanding choice for some means restraining choice for others." The biggest social concerns he sees schools responding to in market conditions are segregation, sorting, and the skimming of students.

It is theorized that schools will become more segregated under choice systems. In other words, schools will react to competition by responding to parents' desires to

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segregate their youngsters. Kozol's research leaves no doubt that school segregation is alive and well in our country (Pearson 1993, 104). And Wells reviewed several studies that suggest there are sociological factors that will only increase the separateness of our schools and society. For example, in a 1988 study of school choice in Syracuse, New York, Maddus found the overriding factor in choice of school was not learning but "moral values" and location (as cited in Pearson 1993, 105). Thus, theoretically schools in competition will look to meet parents' desires by providing schools that are consistent with perceived moral values. Parents who think and believe alike will come to these schools with a comfort level that it is a good place for their children to be.

Along similar lines is the theorized practice of "skimming," or "creaming," by schools looking to attract the best students. This practice will allow schools to enhance their reputation by attracting the so-called best and brightest students. This would then lead to more people wanting to come to a school, further enhancing its reputation and funding source.

These terms have been used to describe magnet schools in Chicago. For example, it was reported by the *Chicago Tribune* that the magnet school system is a "very private school system . . . operated in the public schools." A principal in the system described the magnet schools as "attracting more sophisticated families, leaving us with less motivated children" (Pearson 1993, 104). This is supported by Levin's research, which summarizes that choice mechanisms are not likely to be "neutral" with respect to social class and that choice schemes in education will tend to favor more advantaged families (as cited in Clune and Witte, 1990, p.270).

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Thus, schools responding to choice may be looking to attract these "more sophisticated families," causing a more intellectually segregated school system.

Increasing Marketing Strategies and Improving Important Perception Factors

One projected reaction by school systems is that they will step up their marketing efforts and improve important perception factors in order to keep up with their competitors. Schools will be compelled to put themselves in a positive light in order to win the important perception war. Perception factors such as test scores and safety factors will become even more important as schools try to make themselves look good in the public eye. They will now be in a different arena, where the public relations battle could cost them if they do not attend to it. This may or may not actually result in improved schools. On one hand, as Friedman and others portray, additional information provided to the public may be a welcome improvement for consumers. And improved focus on high-profile items such as test scores may spur actual improved learning. Schools may as a result become more attentive to issues that are important to their constituents. On the other hand, Fege would suggest that schools would be out to do what is in their best economic interest, and any improvements may be at face value only. We could very well see a focus on marketing ploys that result in no real improvements, and possibly even a focus on things other than real school improvement.

Summary—In What Ways Will Schools React to New Competition?

As can be seen, there is a real divide in theory on how schools may react to new competition. The key questions are these: Will real school improvement occur? And will it be to the overall benefit of society? Below is a summary of the variety of ways the bodies of work identified would expect school systems to react to school choice

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initiatives and the introduction of markets to education. It is broken down into two main directions—schools reacting by reforming themselves to compete with other schooling alternatives and schools looking to seek the greatest financial advantage they can gain through their existing structure.

Schools Reforming Themselves

- Act more responsively to parent and student desires in the development of school offerings. This could be in the form of better services or new, different programs and curricula driven by consumer preferences. This could evolve in positive (improved services) and negative (segregation, elitism) ways.
- Change power from a centralized, bureaucratic system to a decentralized system (more decision making by schools, principals, and teachers). It is predicted schools will focus less on the legislative and political groups and more on parents and parental involvement.

Schools Seeking Greatest Financial Advantage

- Increase advertisement and marketing efforts.
- Make decisions based not on quality but on what will be in the school's best interest economically (i.e., weeding out expensive students, offering inexpensive programs such as elementary general education programs, filling open seats in existing programs), including student and family skimming—that is, marketing directed toward more involved, interested, and sophisticated families.

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Summary—Theoretical Framework for How Schools Are Predicted to React to Choice Initiatives

Many issues come into play, which makes the topic such a significant and widely debated one in educational and public circles. While the theoretical frameworks outlined help identify the factors that will come into play as school districts decide how they will react to choice, clearly many complicating factors and contingencies bear on the question of what actually will occur. This study helps provide empirical data that won't definitively answer the questions raised but will help to provide understanding into not only how schools are reacting to market forces but also what the key factors are that drive them.

REVIEW OF LITERATURE

The previous chapter lays out the theoretical framework for how it is expected schools will react to choice initiatives. Particularly, it describes a set of possible reactions that relate to the two main questions this study poses: Will schools in this new market environment indeed compete? And if so, in what ways will they compete (will schools take measures to improve)? Current research provides very little data on how school entities are reacting to school choice initiatives. This is supported by other literature reviews. Dan D. Goldhaber, author of a summary of empirical evidence on the topic of school choice, writes that "at this point very little is known about the institutional response of public schools to the competitive threat of losing students and funding" (Goldhaber 1999, 23–24). Following is a summary of the frameworks laid out earlier and the research to date that addresses them.

Will Schools Compete?

The theoretical diagram shown in Figure 1 outlines that the decision for schools to compete in the new marketplace is a complex one. The basic premises that schools will now be driven by pure market forces and be required to compete for students and related revenue are affected by the fact that schools are still political, public bodies that are influenced by other factors. Thus, different factors will influence school boards, and whichever factor holds the most weight will theoretically win out. Below, again, is a list of those factors:

- Economic pressures: the need to attract students to retain/grow financial resources; the need to generate additional revenues to offset enrollment losses; the

need to compete with other schooling options in the local ecology to maintain student/funding base

- Other pressures: local dynamics that influence decision makers such as community or political pressure; diverse surrounding student pool from which to attract students; preferences of school system leadership

As we look to empirical research that tests the hypothesis of a complex reaction to choice affected by market pressures and other pressures, it is important to recognize that two significant factors will theoretically help determine whether schools will compete or not: who exactly will schools be competing against, and what are the rules? Arsen, Plank, and Sykes (n.d.) describe that each system exists in a "local ecology," where it competes against other systems that are in an area where students can feasibly commute among the respective systems. Other systems that may be playing by the same rules may not impact a particular school system if they are distant, as their competitive decisions will bear no impact on them. At the same time, the particular rules by which the districts must abide also play a key role in whether schools will participate. For example, open enrollment required of all schools plays out much differently than if a school system can choose whether it wishes to take students from outside its traditional boundaries. Admission requirements (do we have to take all students, or can we select criteria?) are another significant rule that would bear on whether a school system decides to compete.

A look at the little research that has been completed finds that reactions have been consistent with the theory above in that there has been no one simple answer to whether or not schools will compete, and the decision process has been a complex one, as predicted. Reactions by school systems to choice initiatives have varied.

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International Competition

School choice experiments have been tried for some time in school systems outside the United States. Thus, research completed there helps to show how schools have acted in choice environments. And there are instances documented that help us see whether school systems in choice environments have competed. The research indicates that where choice programs have been tried, the choice rules under which schools operate make a difference in whether schools compete.

For example, Chile found that when vouchers were allowed, private schools basically located in densely populated areas, with higher-income parents and lower-quality education. Thus, the rules in this situation caused *selective competition* in that private schools that were established to accept government vouchers located only in specific places. Competition was not uniformly created, and thus not all government schools needed to compete. In fact, very few private schools were located in the areas where parents had a low level of education. While very little empirical evidence exists to draw a picture of whether schools competed in Chile, some actions were noted (social sorting) that would lead us to believe that competition did occur in those areas. But incentives for poorly performing schools were not built into the system. And since no incentives or sanctions existed for traditional schools, they were in a position of not always needing to compete with the private schools accepting vouchers (Carnoy and McEwan n.d.). The rules in this case did not provide a very strong market incentive. Consequently, the rules made a difference.

Fiske and Ladd (2000) note in their renowned work on choice in New Zealand that competition most certainly occurred under the rules developed there. In New

Zealand, all schools were required to participate in the country's choice program. Schools did react (compete) within their local ecology.

Competition was evident in Great Britain, where the erosion of cooperative agreements was noted with their choice initiatives. While some level of cooperation remained, James Aitchison reports that schools "feel themselves to be operating in a competitive environment, encouraged to operate in that way by politicians and market forces" (MacBeth, McCreath, and Aitchison 1995, 86), and he notes that "competition between schools is apparent." (p. 86) As an example, previously shared services (such as career services, psychologists, and school library services) are no longer being done together but are purchased by individual schools from different providers.

National Competition

Choice programs are relatively new in the United States, and consequently little research on school system reaction is available. Where research has been done, there are anecdotal stories of schools competing in choice environments. Those threatened with student loss tended to respond strongest.

Mesa Unified School District, the largest school system in Arizona, lost 5,000 students to charter schools from 1993 to 1998. In response to this challenge, the district revamped its curriculum and began an advertising campaign in an attempt to pull students back into the public school system. In Albany, New York, 458 students from one of the city's worst schools, Giffen Elementary School, were given scholarships for alternative education by philanthropist Virginia Gilder. With one-third of its enrollment lost, the district quickly transferred the principal and nine teachers, and spent $125,000 on new equipment (Tucker 1998, 28).

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There are other examples of competition where choice initiatives have been tried. In a controlled-choice experiment in Cambridge, Massachusetts, in the late 1970s and 1980s, students were allowed to attend any school they wished *within* the school system. Competition was encouraged, and Chubb and Moe report a "huge improvement over its troubles past" with gains in both racial balance and student achievement (as cited in Harmer 1994, 168). The now well-known story of East Harlem District #4, where interdistrict choice options were allowed in the 1970s, tells of schools reforming from within and individual schools being empowered and improving as a reaction to the implementation of the choice program there (Fliegel 1993).

Some systems that have not been directly impacted by immediate enrollment loss still have reacted to choice initiatives by looking at their programs and services. In some cases they looked to control the process. In New York, school boards reacted to threats of state-mandated choice and public pressures by developing choice programs of their own. In New York City, Mayor Rudy Giuliani has proposed a plan for a single school district in Manhattan to experiment with vouchers for private school tuition (DeSchryver 1999).

Reactions Other Than Competing

Other reactions include resistance rather than competition. Public choice supporter Evans Clinchy has observed obstructive behavior in districts already experiencing choice. He states, "In all too many instances, the policy of diversity and controlled choice has been installed as a citywide desegregation measure only to languish as the entrenched bureaucracy dreams up all sorts of ingenious reasons why it should not and will not work, why surveys of parents and teachers should not be conducted, why

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decision-making authority should not be transferred downward from the central bureaucracy to the individual school" (Clinchy and Young 1992, 116–17).

And some reactions have amounted to little if anything. In Minnesota, choice came but most regulations stayed. The results show little empowerment of teachers or administrations. And it did not weed out the incompetent (Pearson 1993, 129).

In California, choice initiatives have had little effect on changing schools. Eric Rofe's study found that only a small slice of district officials report they pay attention to innovations advanced by new schools, and they have been slow to engage the choice movement to see what alternative schools are up to. On the other side, educators and parents involved in charter or magnet schools have yet to display much interest in affecting the conventional system (Burr et al. 1999).

Michigan Competition

As for research completed in the setting being studied, Michigan has also witnessed a wide range of responses.

One distinctive work on choice, Michigan State University's study *School Choice Policies in Michigan: The Rules Matter* (Arsen, Plank, and Sykes 2000), points out that system reactions are based on a variety of factors, including leadership, resources, and attributes of individual districts. This finding from the MSU research is consistent with other research completed thus far on how school systems react to choice initiatives. It also corresponds to the theoretical framework described that identified several different factors that would drive the actions of local school systems.

Those most threatened by the loss of revenues tended to be the ones most likely to compete. For example, in Holland, Michigan, where the public school system faced a

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significant loss in student enrollment, Superintendent Marcia Bishop worked hard to sharpen the district's vision and mission and initiated an aggressive marketing plan aimed at student retention and recoupment (Choice Conference 2000). In Lansing, Michigan, the school system, faced with massive enrollment loss, also initiated and funded new marketing initiatives and initiated certain student program changes (i.e., all-day kindergarten, honors program). Additionally, it worked to reengage the community in the schools by developing a blue-ribbon task force and a community-wide planning process. And Deborah McGriff of the independent, for-profit private school management organization the Edison Project reports that "schools in Michigan have reacted including adding new programs" when Edison came in or even just proposed coming in to their general jurisdiction (Choice Conference 2000).

In a separate but related piece of research, Arsen, Plank, and Sykes (n.d.) found other interesting competitive behaviors in Michigan. One school district allowed a third party to come in and operate a school within its system, with the expressed agreement that the third party could keep its contract only if it maintained a student composition that included at least a certain percentage of the total population from outside the school district (to pay for the school). They also found that charter schools elicited a range of strategic responses, some being competitive. One school system rented a facility to a charter school to generate additional revenue as it was confident that students from outside its school district would be the ones filling up the school.

Arsen, Plank, and Sykes also found cases (as cited in their work *School Choice Policies in Michigan: The Rules Matter* 2000) where schools in Michigan did not wish to compete. Under Michigan choice rules, local districts are not required to accept

nonresident students. Such schools included those in high socioeconomic areas and those that feared a change in their racial/class student body composition. It is apparent that districts consider the racial composition and student makeup of their own enrollments when they decide whether they are going to participate in the state choice program and allow nonresident students to attend their school district. An example is an urban area in western Michigan, Benton Harbor. All districts surrounding Benton Harbor have at one time opted out of the state choice program.

In certain areas of the state, districts in the same region colluded to put together their own choice program (allowed under the law) so they could manage the financial impact on any one school district (Arsen, Plank, and Sykes n.d.). In both of these examples, the rules set were very important variables in whether schools would act competitively or not.

It was also noted in Michigan that while both competitive and collaborative behaviors were exhibited by systems thrust into a new choice environment, more competitive responses were noted (Arsen, Plank, and Sykes 2000, 67). Yet overall findings in Michigan are similar to those of national and international studies. While evidence of competition can be cited, the MSU study just cited finds that Michigan's school choice policies have had limited impact in most school districts. The study says that for "most school districts the state's school choice policies are not front burner issues. These districts have made few changes in school operations in response to choice." (p. 60) It was also noted that few administrators could identify specific program changes relating to choice. This finding was supported by a study by public sector consultants, who found little response by school districts to charter schools (Gongwer,

"Board Seeking More Charter Oversight" 1999). It is important to note that this is early evidence, as reactions by some may come as competitive pressures continue to mount.

A separate report commissioned by the Michigan Department of Education and completed by researchers at Western Michigan University cited similar findings. They noted several districts reacting to choice initiatives. Many competed through various methods. The most affected were those smaller districts that serviced areas with little growth potential. And "there is little evidence that the charter schools are having a noticeable (positive or negative) impact" (Horn and Miron 2000, ii).

Competition in Wayne County

There is also research available for the specific region of Wayne County being studied. A Michigan think tank, the Mackinac Center, took a look at the impact of competition on Wayne County school districts. It cites that the impact has been "uneven" in Wayne County. Some districts have been pressured to compete, and others have not. The center also notes that of those that have decided to compete, some have done so reactively, after losing students, and some have done so proactively, preparing for the new competitive environment. It specifically cites the Dearborn school system, which is currently not threatened economically but still is implementing specialized schools from which parents can choose as a retention type of program (Brouillette and Ladner 2000). This will be explored further as Dearborn is one of the case studies of this work.

Summary—Will Schools Compete?

The research cited supports the theoretical framework developed, which predicts that the decision for school systems to compete in a choice environment will be a complex one that is impacted by many variables. Without question, competition is being

elicited. But not all schools are reacting purely with the intent to maintain or increase market share through choice. They are considering other factors such as student body composition and community concerns. Also, it is clear that the rules under which they are operating and the reaction of local systems in their nearby vicinity are key components in their decision to compete or not.

There is no doubt that some form of competition has been generated through choice initiatives. But with such a variety of responses being documented in the scant existing empirical research, the question arises, If market forces are being unleashed, why aren't all school systems reacting to them? What is occurring in the decision-making process that is causing one of the several key factors cited in the theoretical framework to win out over the other factors? Only in-depth research into the decision-making process will help determine this. And that is what this study hopes to offer: a peek into the decision-making process of the establishment to see what is driving it to respond to choice initiatives.

In What Ways Will School Systems Compete?

The other key question this study asks—If school systems do compete, in what ways will they do so?—really gets at the key issue of what impact choice initiatives will have on the educational system. Will such policy reform schools and force improvement through competition? Will competition cause other social harms such as segregation and sorting that will outweigh any student achievement gains? The reaction to competition by local school systems is key to answering these questions. How they decide to compete will drive what social impact choice policy will have. The theoretical framework outlined

in the previous chapter predicts that schools will react to choice initiatives in one or more of the following ways:

- Change programs/services to compete and/or meet consumer desires (leading to school improvement)
- Fill seats or create profit centers to increase revenues
- Change management/organizational structure or decision-making processes
- Increase marketing
- Improve important perception factors

Again, how schools react within these categories will help determine the impact of choice policies. Such actions could result in sorting students and creating winners and losers within the system. Or improved programs and services for all could be the result. Below is a look at the research to date regarding how districts have been competing for choice students.

Change Programs/Services to Compete and/or Meet Consumer Desires

This is the action that choice advocates not only hope for but expect to see. Theorists such as Friedman, Chubb, and Moe argue that schools will have to improve their efforts and also be more responsive to parents (the consumer) or risk losing their revenue source to others that have, causing them to eventually go out of business. This will cause efficiency in the market, improving the overall service for everyone.

As has been the case so far, there are several anecdotes in the literature that suggest improvements and responsiveness were evident in choice environments, but such a response was not universal or necessarily a consistent action of schools in choice playing fields.

Internationally, there have been instances of improved services, but that has not been the focus of responses. In New Zealand, researchers note that there has been a "breaking" of the school bureaucracy through choice implementation (see earlier in this chapter for the rules under which the New Zealand program operates), but they do not note widespread changes in services or programs (Fiske and Ladd 2000). In Chile, the focus was on new alternatives for poorer families through vouchers and the possibility of saving resources by offering existing services more efficiently. There was little mention of existing schools changing (Carnoy and McEwan n.d.). In Great Britain, similar responses are noted. Many schools have not reacted by changing programs and services as they were somewhat ambivalent to another governmental rule change, at least to begin with (Meyers 1999).

However, while specific programmatic changes were not recognized at least as a widespread phenomenon, New Zealand and the United Kingdom both reported a change in the attitude toward customers as a result of the new policy. In New Zealand it was reported that "Tomorrow's School reforms succeeded in breaking up an educational bureaucracy" that was out of touch with the needs of local communities (Fiske and Ladd 2000, 7). In Britain, researchers also have noted a need to be more responsive. As one headmaster put it: "Quite simply our schools survive on the support and goodwill of parents in their role as consumers" (MacBeth, McCreath, and Aitchison 1995)

In the United States, several cases of program improvement have been noted. Earlier, specific responses were cited by schools in Mesa, Arizona; Albany, New York; and East Harlem that were under significant pressure to change. Charter schools and private schools have developed across the country to compete directly with traditional

public schools. Yet, throughout the country, mixed success has been reported with choice initiatives. In California, Minnesota, and Milwaukee reactions to choice with improved services can be identified (Pearson 1993; Henig 1994), yet no trend has been established.

In Michigan the same holds true. The Holland and Lansing examples cited earlier show a response to choice initiatives with an effort to improve programs and services. Deborah McGriff from the Edison Project reports the same (Choice Conference 2000) The Western Michigan University study also identified the Kalamazoo school district (among others) changing classroom structure, curriculum, and programs in response to nearby charter schools. Wyoming public schools began specialized schools and allowed parents to choose among any school in their system (Horn and Miron 2000). And studies have shown that schools do feel pressure to be more responsive to parental concerns and desires. The Western Michigan University study reported that several case study districts were more aware of the need to be more responsive to parents and worked to do so as a result of charter schools and schools of choice (Horn and Miron 2000). The same was reported by some school districts in Wayne County in the Mackinac study (Brouillette and Ladner 2000).

And yet not all school systems in Michigan have reacted to the new competition by improving programs and services. Even districts that have felt competitive pressures have not seen a need to improve their educational programs. In some cases it was too difficult to determine what factors caused student movement (and, correspondingly, what factors to react to). Other instances left public schools unable to respond because factors causing student departure were outside their control (i.e., racial, ethnic, or other specialized curriculum) (Arsen, Plank, and Sykes 2000).

The activity as noted led Arsen, Plank, and Sykes (n.d.) to state that "changes brought about by school choice policies may lead to improvements in some Michigan schools, but they are certainly not sufficient to bring about improvement throughout the education system." (p. 10)

Compete by Filling Seats or Creating Profit Centers to Increase Revenues

While Friedman (1962) and others theorize that schools will have to improve or lose under choice policy, another theory holds that schools will look to generate market share any way they can, and that doesn't always mean improving. Identifying available and ripe markets and looking to exploit them with existing programs is another way schools may respond to choice. In some instances this may lead to competition and overall improvement. In other instances it may just mean students are moving to and from existing programs. As Fege (as cited in Doerr, Menendez, and Swomley 1996) theorizes, schools will look to maximize revenues, and that doesn't always mean they have to put out the best or even a high-quality product. It does not guarantee improvement as a means of competition.

The possible social ramifications of this reaction include social sorting, a reallocation of resources to those serving less costly students, and the creation of winners and losers within the system. This can occur because quality schools may not wish to compete in low-income/high-need areas, as that may not be in their best financial interest.

This has been prevalent on the international scene. In New Zealand, researchers Fiske and Ladd (2000) note that the movement of enrollment patterns was the most significant activity that occurred in New Zealand's choice movement. Students did move, and they moved to schools deemed to be better. But program improvements were not

highlighted as necessarily being prevalent by these schools to attract them. They had open seats and under the choice policy were obliged to give them to traditional nonresident students. The schools that lost students "enjoyed the same flexibility as other self-governing schools, and share the same incentives to improve the quality of their programs in order to attract more students and more funding" (p. 288). Fiske and Ladd noted that schools that lost students appeared in some cases to be well managed, but they were unable to compete in the marketplace. As a result, the authors noted, choice exacerbated the problems faced by schools serving concentrations of difficult-to-teach students. And it caused sorting by ethnic group and to some extent by socioeconomics. Their conclusion was that choice did not work for 15 to 20 percent of the population. The point is that improvement was not the answer to competition in the New Zealand case. "Higher-end" schools did not necessarily have to change much, as they filled open seats with existing programs. And even if the "lower-end" schools reacted by improving, they were not going to retain their market share.

In Chile, private schools located in places that had high population density, educated parents, and low-quality education. Thus, they operated where they felt they could derive the most significant financial benefit. As a result, competition was not created in areas where improvement may have been hoped for the most. The findings were that competition ended up having little effect. There were also findings of "creaming" or "skimming" of the better students (Carnoy and McEwan n.d.).

Similar findings came from Great Britain. Some schools became selective in their admissions (particularly their version of charter schools—grant-maintained schools). Social class segregation was noted, and "choosers" appeared to be white, middle-class

parents and those who were not working-class parents. Fifty thousand children who applied for a change of school were denied (as cited in Meyers 1999). Thus, schools didn't change as much as their composition did.

In the United States, charter schools have evolved to provide another option for parents. Yet Amy Stuart Wells reports that in states such as California such schools have been developed that have been seemingly marketed toward different ethnic/race groups, increasing segregation. In one setting, she notes that charter schools appear to provide an alternative that is attractive to white students who may be seeking to escape from racially and socially diverse public schools. Her research has also shown that charter schools serving poor students of color often have less challenging curricula, fewer college preparatory courses, and inferior equipment and facilities (as cited in Plank and Sykes 2000).

In Minnesota, athletic recruitment had become a concern with open enrollment. The first censure occurred in 1992, and athletic officials are concerned about what is occurring "behind closed doors." The superintendent for the district censured stated that "we're not doing anything the other schools don't do" (Pearson 1993, 40–41).

The point of both of these U.S. examples is that schools are being created and open enrollment is being used to attract easily attainable students within a market niche, whether that be by race, ethnicity, or athletic prowess. These educational institutions did not improve the level of education offered but utilized their strengths to take advantage of a sector of the market. Thus, they have become "profit centers" for their system. This is an advantage for those parents looking for that service, but it is not the educational reform many are looking for.

This type of example can also be seen in the research setting, Michigan. A reaction to the new markets in Michigan has been the emergence of new schools that are less costly to operate (i.e., elementary programs and non–special education programs, leaving the more expensive students to be educated in the traditional public schools) (Arsen, Plank, and Sykes 2000) A study by the Michigan Senate Fiscal Agency reports that charter schools are enrolling more elementary students versus secondary students because in Michigan it is cheaper to do so (Carrasco and Summers-Coty 2000). In the Western Michigan University study, it is noted that the number of special education students in charter schools is much lower than in traditional schools. Special education students typically require additional services that are quite expensive. While it is noted that some charter schools cater to a special education population and have high numbers in their schools, other charter schools have few or no special education students (Horn and Miron 2000). Obviously the program they are providing is not attractive to special education parents.

Additionally, the number of traditional public schools accepting nonresident students has been increasing. Approximately one-half of local school districts are now accepting nonresident students (Arsen, Plank, and Sykes 2000). Yet little program improvement by these districts has been cited, leaving the conclusion that they are attracting students from other school systems based on their current merits, not improved programs. They are filling open seats. One of the clearest responses to date, which is covered below, is increased marketing activities by schools, as they look to promote themselves to retain and grow their market base, rather than to improve their programs.

Change Management/Organizational Structure or Decision-Making Process

One of the ways theorists have predicted schools will react to choice policy is to change the way they are organized in order to be more responsive to the consumer in a competitive environment. As Chubb and Moe (1990) outline, the introduction of choice will break down the traditional school bureaucracy as schools will be forced to be responsive to the consumer and not the government. It is expected that traditional top-down organizational structures will be replaced with decentralized organizations where decision making is closer to the field, where parents can play an integral part. This is deemed necessary to keep parents satisfied and in the organization. If not, the schools will risk losing them to another school that offers them more direct input. This is thus deemed a competitive reaction that will improve school climate and then eventually school performance.

Such innovation can be seen in places choice has been implemented, but as with other theorized reactions, not always as a systemic change. Overseas, New Zealand researchers Fiske and Ladd (2000) speak positively about the change choice policy has brought to organizational structures. They state that "there has been universal agreement that overall the new decentralized administrative structure is superior to the bureaucratic system that it replaced. The Tomorrow's Schools reforms succeeded in breaking up an educational bureaucracy that many people believed had become overly bureaucratic, inefficient, and out of touch with the needs of local communities." (p. 7) They also note that schools in New Zealand clearly enjoyed their new authority to make policy decisions. In Great Britain, schools were given the option to become autonomous schools, referred to as grant-maintained schools. This gave local schools an opportunity to work outside the normal bureaucracy as they worked in a new choice environment.

And some schools took the opportunity to do so, although it was only a small percentage of total schools—not as many as the government had hoped for (MacBeth, McCreath, and Aitchison 1995).

East Harlem is an example in the United States where intradistrict choice led to schools restructuring themselves to be more responsive to their constituents (Fliegel 1993).

In Michigan, school systems have the opportunity to start charter schools within their boundaries. By doing so, the schools would operate autonomously from their local school system. But very few have taken the opportunity to do so. There have been examples of outside management systems coming in to operate schools in Michigan, such as in Inkster and Mt. Clemens (Brouillette and Ladner 2000; Arsen, Plank, and Sykes n.d.). Some consortiums have been created between school districts that have worked together to create charter schools, often through their intermediate school districts (Arsen, Plank, and Sykes n.d.). But while many school systems have become more responsive to the consumer (Arsen, Plank, and Sykes n.d.; Horn and Miron 2000; Brouillette and Ladner 2000), very little has changed in Michigan relating to organizational structure and decision-making processes in traditional public schools.

Increase Marketing and Improve Important Perception Factors

It is also anticipated that as a reaction to competition, schools will work to improve how others perceive them and will market themselves. They will do so to keep their constituents informed about what they have to offer and to put them in the best possible light as parents compare them with their competitors. They theoretically need to

do this or take the chance that parents will be uninformed about what they have to offer and possibly will be swayed by competitors that their schools are better.

On one hand, this action will help provide valuable information to parents and make them more informed about their schools than they have been in the past. Such sharing of information would be seen as a positive change. On the other hand, this will not be an effort to actually change what schools are doing as much as promote what they are doing. This will take resources to do, thus taking resources away from educational activities.

As schools look at important perception factors, such as test scores and safety, such a focus could lead to actual improvements in what schools are doing. This, of course, is if improvements are implemented with integrity.

There is quite a bit of evidence that such efforts have occurred in response to choice initiatives. In New Zealand, researchers reported that a new "culture of competition" was created in the state educational system. Principals of schools became adept at marketing their schools through means ranging from open houses to radio and television advertising (Fiske and Ladd 2000). In Great Britain, aggressive marketing was exhibited at secondary schools, including methods such as activity days for primary school children to expose them to what their secondary school had to offer and requests for addresses of primary students so secondary schools could directly contact prospective parents (MacBeth, McCreath, and Aitchison 1995).

In Michigan, several instances of extensive marketing have occurred since choice initiatives have been implemented. Several districts studied by Western Michigan University increased their marketing efforts as a response to charter school competition

(Horn and Miron 2000). Arsen, Plank, and Sykes (n.d.; 2000) also cite an increased investment in marketing.

Summary—In What Ways Will Schools Compete?

The research bears out several ways school systems have competed in choice environments. Some have reacted to competition by changing the way they do business, both structurally and in the classroom. Some have added new programs. Others have tried to take advantage of the new environment by seeking the most economically advantaged options, whether that be filling open seats with students from nearby competitors or creating new educational opportunities where the market was right to generate new revenues. This did not always result in improved services, as this was not to their financial advantage. Concerns were raised about the instances where seeking a competitive advantage meant some students were left behind in schools that could not compete in the educational marketplace.

Thus, we are still sorting out the advantages and disadvantages that choice policy brings, and what overall impact it has had on the educational system. Without a question, initial reactions have yet to confirm the worst fears of choice opponents or the best hopes of choice supporters. Thus, as we continue to wrestle with the public policy of school choice and try to determine whether it is a beneficial or harmful public policy, it will be important to continue to assess what effect the policy is having. One excellent way to help in this assessment is to look closer at how public schools are reacting, and more specifically, what is driving their reaction. By studying what is driving school districts' reaction to choice policy, we will possibly determine what really may be the consequences of this new policy initiative, and what important rule changes should be

considered to improve its impact. This study will delve into the question of what is driving school districts' reaction to choice in an effort to help us understand why districts are acting as they are, and thus provide a small piece of insight into what possible consequences could possibly come from choice policy, and what rule changes should be considered. With other similar studies, or quantifiable studies based on some of the insight provided in this work, we may begin to understand what effect school choice programs will have on students and the society of which they are a part.

METHODS

Purpose of Study

The purpose of this study is to test the reaction of the educational establishment, specifically local school districts, to choice initiatives infused into its environment. This effort is important for those who believe that choice policy is a method for school reform and improvement. How school systems react to such policies will for the most part determine whether the objectives of reform and improvement are met.

The first basic question to be explored is Will school districts react to new competitive forces? The assumption is that economic pressure caused by choice models will cause school districts to react in some manner in order to maintain their market and revenue share (derived from their student base). But because schools are still public entities operated by political bodies, economics may not always drive their self-interest. Thus, it will be key to determine the reactions that occur when economic factors press against unique local school system dynamics that vary from community to community.

The second key question is If school districts do indeed react, in what ways will they do so? Theory anticipates that schools will act in one or more of the following ways if competing:

- Compete by improving programs and services
- Compete by being more customer driven
- Compete by filling open seats to increase revenues (possibly leading to skimming the best or homogeneous students)
- Compete by opening profit centers to augment current revenues
- Compete by improving school perception factors (i.e., improve test scores)

- Compete by increasing marketing efforts

This question will help determine what effects choice policy will have on public education. It will help sort out whether there is an overall benefit to society, whether there are winners and losers, and whether there is a negative impact on society.

A key component of this research will be to go beyond simple answers to the above questions and delve into the dynamics that caused districts to react as they did. This will be valuable as we attempt to understand what positive or negative impacts choice policies have. *Again, it was mentioned earlier that unique dynamics exist when combining economic pressures and local political pressures. It will be important to explore these dynamics and determine what is actually happening to drive district reactions in order to really understand what the long-term impact of choice policy may be.*

Research Design

The research design is developed in a way that will both answer the two questions posed above and delve into the explanations of what actually occurred that caused districts to react as they have to choice initiatives. First, the study will take place in a setting that is currently practicing choice policies. Within that setting, several districts will be chosen to look at in depth to see how they have reacted to choice policies. Data will be gathered from each district to help us predict how they will respond (as defined in the theoretical framework). Then this will be compared to actual reactions. Finally, explanations will be sought for each district in the study to help us understand why it reacted as it did. This will be a key component of the study, as the better we understand what influences school district reaction, the better we will be able to predict what impact

specific segments of choice policy will have. The data will then be summarized with overall observations from the information presented. Below is an in-depth layout of the research design and rationale for its makeup.

The Research Setting and What Is to Be Studied

To evaluate how school systems will react to choice initiatives, an environment where choice has been implemented must be chosen. For this study, specific school districts in the state of Michigan will be used. Michigan provides an excellent theater for study based on the implementation of several choice initiatives in recent years, such as interdistrict public school choice, charter schools, and postsecondary enrollment options. The state has displayed as aggressive a policy toward choice initiatives as anywhere in the United States. Additionally, Michigan has a large population. It includes large urban, suburban, and rural areas of varied ethnic, racial, and socioeconomic status and varying student achievement results. All this provides for a rich environment to test the theoretical frameworks developed.

Not only does the rich choice environment make Michigan a prime laboratory for study; it is also the state in which the researcher resides and works, making access for an in-depth study feasible. Additionally, this work is complementary to work being done through Michigan State University, which also focuses on the choice policy issue and the reaction of the educational establishment to such policies. The specific school districts chosen for study will be in a separate region from the other in-depth studies and thus will provide for useful data that can complement the other work.

The interdistrict choice policy that has been enacted in Michigan will be the focus of this study (the "what"). The significance of this new policy is that it allows school

systems to compete for other public school system students, as they can enroll students from other school systems if they so desire. It puts existing traditional public schools in competition with each other. Also, the way the law is structured, school districts can opt in or out of the program. They are not required to participate. Thus, we will want to find out if school districts are opting in or out of the state choice program, why they are, and what factors are influencing their decision. And we will be interested in how they compete with each other and how they react to each other. Other choice options, particularly charter schools in Michigan, certainly play a role in the reactions of Michigan schools to this interdistrict policy and most certainly will be considered.

A more detailed look at the research setting, including a look at the history of choice in Michigan, the specific rules of the interdistrict choice policy, and a detailed description of the districts chosen for the study, is needed to lay a foundation for the understanding of the conditions that are being studied. This is done in the next chapter. The rationale for which districts are chosen for study and how many is presented later in the present chapter.

Qualitative Approach and the Case Study Model

The researcher could look at quantitative data to analyze the research setting. He could note whether school districts are participating in the choice program, and compare this with a variety of data sets, such as funding levels, socioeconomic factors, student achievement data, enrollment trends, and racial makeup of schools and their competitors. But this study is designed to delve much deeper into the data. Although the study will identify the data sets noted, it really looks to determine why districts are reacting as they are and what is influencing them. Thus, a much more in-depth look is needed, using

qualitative research strategies. This will limit the number of school systems that can be studied, but it will more adequately answer the research questions posed.

Qualitative Research Strategy

Hoepft defines qualitative research as a naturalistic approach to research that seeks to understand phenomena in context-specific settings. Where quantitative researchers seek causal determination, prediction, and generalization of findings, qualitative researchers seek instead illumination, understanding, and extrapolation to similar situations (Hoepft n.d.). In this study the author seeks an understanding of why districts have reacted as they have, and while the findings will not answer how all school systems will react under different school choice policies, he hopes to see how such policy may impact others in similar situations.

Again, comparing qualitative research to quantitative research, Cronbach (as cited in Hoepft n.d.) claims that statistical research is not able to take full account of the many interaction effects that take place in social settings. He states that quantitative work may "ignore the effects of what may be important, but not statistically significant." (p. 2). Qualitative inquiry accepts the complex and dynamic quality of the social world. And even more significant to this study, Strauss and Corbin (as cited in Hoepft n.d.) claim that qualitative methods are appropriate in situations where the researcher has determined that quantitative measures cannot adequately describe or interpret a situation. This is what the researcher is describing as the phenomena as he looks to answer the research questions. Why districts are reacting as they are cannot be adequately determined by just looking at enrollment trends or budgets; an in-depth look at the complex decision-making process that school boards go through must be done.

Thus, a qualitative design fits this study well. Janesick (as cited in Denzin and Lincoln 1994) describes qualitative design as holistic, a process that searches for understanding of the whole. She says that qualitative design looks at relationships with systems and cultures. She also describes its focus on understanding a given social setting. To answer the questions posed in this study, it is essential that the researcher not just control variables and gather data but attempt to understand the specific cultures and the data gathered from them—in order to derive meaning from actions observed. Data will be gathered and analyzed, but the key research findings from this study will come from the information discovered through qualitative processes.

Case Study as the Research Method

There are several methods by which qualitative research can be done. They include action research, case study research, ethnography, and grounded theory, among others. The goal of this study is to see how school districts are reacting to choice initiatives and what factors are influencing them. Thus, the design is set to look at a number of specific school districts affected by choice and seek to understand what they have done in reaction to the new policy and why. Of the research methods available, the case study method is the most logical to use.

Yin (as cited in Myers 1997) defines case study as an empirical inquiry that investigates a contemporary phenomenon within its real-life context. He describes it as the ideal methodology when a holistic, in-depth investigation is needed. As noted earlier, this is what this study will need to do in order to answer its research questions. The best way for the researcher to collect data from the research setting that will provide an understanding of the dynamics that are occurring in the playing field will be through

interviews and documentary materials. It is noted in the research that typically a case study researcher uses interviews and documentary materials first and foremost (Myers 1997). Thus, this method will allow the researcher to use an inquiry-based approach to examine the complex interactions expected from the players in the research field.

Other forms of qualitative methods do not fit as well. Action research and ethnography fit better when one actually wants to utilize participant observation to become engrossed in the research setting. In those cases, the researcher becomes a part of the environment or is looking to alter the hypothesis to measure reactions. Neither is needed for this study. Narrative or historical research methods look to documentary evidence as their main source to retell or reconstruct meaning. This is not needed for this study. The main focus here is contemporary inquiry, and the case study method fits best. This method has been well tested by Yin, Stake, and others (as cited in Tellis 1997) and has proven a successful method of inquiry with robust procedures tested to ensure validity and credibility.

Research Design for Case Study

Sample Size

This study is designed to look at selected districts in the research setting described and determine what their reactions to choice have been. Seven case studies have been chosen for the study. The literature notes that case studies are not sampling research and that selecting cases must be done to maximize what can be learned in the period of time available for the study (Tellis 1997). It is also noted that the qualitative approach uses small, information-rich samples selected purposefully to allow the researcher to focus in

depth on issues important to the study (Cantrell n.d.). Several sampling strategies are available to the researcher, but Lincoln and Guba note that maximum variation sampling is the sampling mode of choice because it is used to detail the many specifics that give context to the uniqueness of the complex varied reactions (Cantrell n.d.). Also note that for qualitative methods, the sample is based on the purpose of the study, not on specific rules. According to Patton (as cited in Cantrell n.d.), the researcher looks at what she or he wants to know, what will be useful, what will be credible, and what can be done within the constraints of time and resources. With all this in mind, this researcher went into the research setting and identified different stories that represented different possible tests of theory and interesting possible scenarios relating to the theoretical frameworks developed. This method of selection is supported in the research, as it is noted that Patton describes qualitative research design as emergent in nature because the researcher seeks to observe and interpret meanings in context; thus, it is neither possible nor appropriate to finalize research strategies before data collection has begun (as cited in Hoepft n.d.).

Thus, seven studies were selected as they were a manageable amount within the time constraints of the study, they offered a wide enough range of scenarios, and they provided enough examples to not only test different frameworks but compare reactions between similar school districts. Patton (as cited in Hoepft n.d.) states that qualitative study depends on the purpose of inquiry, what information will be useful, and what will have the most credibility. The description of the school districts chosen as outlined in the research setting will provide the rationale for not only which districts were chosen but how they meet the objectives of the study and provide maximum variation. The initial sampling was five school districts, but two more districts emerged as interesting tests of

the theoretical frameworks that could not be left out, and the study was still deemed manageable.

Methods Used to Answer the Two Main Research Questions

It has been put forth that seven case studies in the identified research setting will be completed to answer the questions outlined. Below are the methods that will be used to perform the research that will answer the identified questions.

Question 1: Will School Districts React to New Competitive Forces?

The chapter "Research Setting" describes the Michigan interdistrict choice policy as one in which schools can decide to participate or not. Thus, in that setting, the first question becomes Did school districts opt in or out of the state choice program? Theory would predict that economic factors will dictate whether schools will feel pressure to participate. Other factors such as what type of students they will attract also come into play. In this study, a matrix is developed to predict what each school district will do, and then it is compared to what they actually did. The matrix is based on the theoretical framework developed that predicts what important factors will influence school systems. Below are the specific conditions that are measured in the matrix. The measurement will range on a continuum from strong to weak influence for a district to opt into the state choice program (positive response) or opt out (negative response).

Financial Condition

If the district is in strong financial condition, this would be a negative incentive for it to opt into the choice program, as it would feel no economic pressure to do so. If the school district is having financial difficulty, it would feel economic pressure to accept

students from other school systems and their related revenues, and thus this would be a positive incentive.

Enrollment Trends/Competition from Surrounding Districts Also Opting into Choice or from Local Charter Schools

If a district is experiencing declining enrollment either from demographics or from loss of students to surrounding competitors, this would be a positive influence on its opting into the choice program, as it would feel pressure to replenish lost revenues. If a district is not experiencing such a loss in students or actually sees an increase in enrollments, this would have a negative influence on the district as it relates to participating in the program.

Perceived Desirability of Surrounding Communities

It is assumed based on looking at current nonresident enrollment data in Michigan that schools of choice students go to neighboring school systems simply due to the ease of transportation and the logistics of getting to school. And school districts will be influenced regarding whether they will accept nonresident students based on the perceived type of students they will be taking in. Thus, since choice students will come from nearby communities, the make-up of these students will be key in local school district decisions regarding choice. If the perception is that the students in these surrounding areas are different from the ones they currently have in their system, are poor academic and behavioral performers, or will upset the racial balance in their schools, then this would have a negative impact on schools' participating in the choice program. If this perception is not there, it will have a neutral effect on the choice the district makes.

Local Dynamics

A myriad of local dynamics may come into play in a political body's decision-making process. Such dynamics could have a positive or negative impact on a local school district's decision to participate in the state choice program.

Again, each school district in the study is rated on the above factors, and a prediction is made based on the completed matrix. This is then compared to what actually happened in each district.

Question 2: If Districts Compete, in What Ways Will They Do So?

The first question addressed whether schools will compete or not. Equally as important is to determine in what ways schools that do compete will do so. The answer will have significant impact on whether a specific choice policy is producing the desired results.

Theorists differ in their beliefs about how schools will react to competition caused by choice policies. Some believe that schools will improve their services and become more responsive to their customers, as they will have to or risk their own demise through loss of students to competitors. Others believe schools may compete but will do so not necessarily by improving but by incorporating whatever methods will generate revenues for them. This may mean filling open seats in existing programs or building programs to draw a selective group of students. Thus, to measure the ways in which school systems in this study have competed, specific predicted reactions identified in the theoretical framework are laid out in a chart, and each school system is evaluated on the items to see if it reacted in that way or not. Below are the reactions that are looked for in each school system, as identified in the theoretical framework:

- Change programs/services to compete and meet consumer desires—Theorists such as Freidman, Chubb, and Moe believe that schools will be more responsive to parents and less so to bureaucracies in a choice environment, as they will be forced to in order to compete in the new marketplace. Thus, these theorists expect to see school systems, especially poorly performing ones, with a new focus on improvement and customer satisfaction, as they will feel new pressures from competitors that threaten their survival as compared with before when they had a built-in, captive audience. Thus, activities would center around the development of new programs and strategies to meet parental desires and improve student performance. Consequently, we will look for such activities in each school system in the research setting.
- Change management, organizational structure, or decision-making processes—As mentioned above, choice advocates such as Friedman believe that schools will begin to operate differently in order to meet market demands. Chubb and Moe are clear in their belief that schools will organize differently to become more responsive to the consumer and less responsive to the bureaucracy. This is the way they believe school improvement will occur. Thus, we will look to see if schools in the case studies have changed their organizational structures, management teams, or decision-making processes in response to choice initiatives.
- Fill seats or create profit centers to increase revenues—Fege lays out in the theoretical framework a belief that schools will not always respond to new markets with an improved product but will respond with whatever works best

financially for them. Thus, they may not look to improve their product or service delivered to their customers but to take advantage of whatever market niche they may enjoy to generate more revenues. This could include raiding neighboring districts to fill seats in already existing programs or creating profit centers by starting programs where there is a ripe market that cost little but will generate substantial revenues. This could also include sorting students as they look to attract students who will be homogeneous in their current community.

- Increase marketing strategies—Relating to the theory just outlined, schools may look to increase marketing efforts to attract (or retain) students rather than actually change what they are doing. This would be a relatively low-cost, easy way to retain or increase market share. Thus, school systems in the research setting will be analyzed to see whether increased marketing has occurred as a result of new choice initiatives.
- Improve important perception factors—Districts will need to understand in the new marketplace that their reputation and the perception others have of them will be paramount in attracting families to their program. While educators have in the past attempted to play down important perception factors such as test scores as not fair or not important, they will theoretically be pressured to react differently. They will need to be aware of important perception factors such as test scores and safety issues, as parents will now be shopping on comparative data between school systems. Loss of the perception war will mean loss of revenues. Thus, we will measure each school system in the study to see if it is paying more attention

to important perception factors because of new pressures brought by choice policies.

Detailed Narrative to Provide Insight to the Findings

From this point, a detailed narrative will be completed to provide insight into the dynamics of the decision-making process for each school district. *This will be a key part of the research completed.* While the charts described above provide answers to the basic theoretical reactions predicted (and thus are an important part of answering the two questions), the narrative portion of the text will help us understand why schools have reacted as outlined in the charts.

The above design will thus provide a theoretical prediction, an in-depth response to determine whether that prediction was accurate, and more important, what factors were really involved in the decision. This will provide the rich and desired details regarding the impact the Michigan policy has actually had.

Data Collection Methods

Yin (as cited in Tellis 1997) identifies six primary sources of evidence for case study research: documentation, archival records, interviews, direct observation, participant observation and physical artifacts. He also states that not all methods should be used in each study, only the ones that are relevant to the work being completed. A combination of data collection methods will be used to collect relevant data for the above matrix and narrative. Generally, documentation and archival records are used to characterize the research settings and help hypothesize district responses. Then, a collection of stories told by key players are gathered to provide a clearer characterization

of the research setting, and more important, provide an in-depth understanding of what actually occurred in the research setting. The sources of evidence are listed below from the most to least used and relied upon.

Interviews

Interviews were the most prominent data collection method used. Interviews are identified in the literature as one of the most important sources of case study information (Tellis 1997). For this study they provide the needed insight into the decisions made—insight that cannot be derived from any of the other data collection methods noted. In each school district, the school superintendent or key central office administrator was interviewed. They are the ones who are involved in making recommendations to their boards regarding how their district should react to school choice options. They are most in tune with the issues and consequences of any actions or reactions, as they are expected to provide leadership and will be held accountable for preparing the board for their options. In most instances, they know and are in the best position to analyze the unique dynamics of their board, community, and school system. Preliminary discussions with different school leaders (board members, union leaders, school superintendents) support this assumption.

Several pieces of data are gathered from this interview. Characteristic information is gathered, such as general financial condition of the school district, enrollment trends, unique characteristics of the school community and its students, historical information, and local dynamics. Then the decision-making process is discussed. Interviewees were asked about the formulation of the district's position regarding choice, what were key influential factors in that decision-making process, and what was the final decision (opt in

or out). Evidence of the actions (i.e., improve, fill seats, etc.) districts took to compete (if any) was gathered. Finally, reaction to the choice policy was explored. This includes board reaction, community reaction, and any other pertinent reaction to their decision. While this interview answers the questions of whether schools opted in or out and in what ways they competed, the key data gathered from this interview constitutes a general description of what is going on in the research setting and a detailed account of why the decisions came to be as they did. This was the *key* and most intensive data-gathering exercise of the study. Exhibit 1 outlines the interview protocol.

Additional interviews occurred. The local school district newspaper reporter was interviewed. The purpose here was to provide a different perspective on the issue, from someone outside the bureaucracy. This is especially helpful if the issue was controversial in the community, as it provides a perspective drawn from different sides of the issue. Questions focused more on the specific decision that was made regarding the state choice program and issues that were raised (if any) by the board or community with that decision. The interviews varied from district to district based on how big a public issue it was in that particular community. The data gathered is a confirmation of the local decision as described by the superintendent and local dynamics that surrounded the decision. If there were any other prominent players in the decision-making process, they often were also interviewed.

Surveys

Survey instruments were used with board members of the school districts in the case studies. The data gathered from the surveys comprise supporting information answering the questions of whether their school district opted into choice, in what ways

they decided to compete (if any), the reasoning for the decisions, and the dynamics involved with the decisions. This includes identifying community concerns, key considerations, and key players.

Board members are the next key data providers. While not involved with the day-to-day operations of the school districts, nor as versed in issues as the individuals they hire to be educational experts, they are the decision makers. In addition, they are on the front line with the community regarding the decisions they make. Thus, their perspective is key in helping to paint a complete picture of what really occurred in school districts as they reacted to new choice initiatives. Additionally, they can corroborate the story told by administration.

They were asked open-ended questions such as the following: Did their district opt in or out of the choice program? What were the key considerations in the decision? Were there community concerns? And were there any other unique dynamics in their community or on the board that influenced the process? Exhibit 2 displays the survey used.

The survey was used with board members because there were too many of them to interview individually across seven school districts. That was impossible given the limits on the researcher and the time of the study. Each survey instrument asks for the member's phone number and e-mail address in case he or she is willing to discuss the issue in more detail, giving the researcher the opportunity to follow up with the member in more depth if needed.

Documentation/Archival Records

Data were gathered from several documents and archival records to help characterize each case study. These data help provide an understanding of each school system's identity, including its funding levels, financial condition, relative socioeconomic status, racial/ethnic makeup, and student achievement. It also paints a similar picture for neighboring communities, an important data set to help understand the dynamics each community faces with choice options. This helps to hypothesize district responses, which is done in chart summary as mentioned above. The data gathered from these sources are as follows:

- School community—A description of each community is developed from the data to characterize the setting, including data such as location, size, square miles, number of municipalities, housing, business climate, downtown, attractions, landmarks, socioeconomic indicators (i.e., poverty rate, housing values, household income), and number of residents. These data were gathered through public state reports, community profiles on the Internet, and available school district documents.
- School district—The following data were gathered for each school system: student count, enrollment trends, number of schools, racial/ethnic breakdown, test scores, dropout rate, taxable valuation, and state funding level (as identified by the foundation grant per pupil). These data were gathered through public state reports and available school district documents.
- Neighboring school districts—The same basic data were gathered for neighboring school districts through the same methods just described for each district.

Summary—Data Collection Methods

Outlined above are the data collection methods used to support the charts and the narratives that answer the two research questions posed. Data are provided to characterize each research setting through documentation, surveys, and interviews. Detailed interviews and surveys also provide the answer to the question of whether school districts decided to participate in the state choice program, and if so how they determined to compete. The data also provide answers to the question of what caused the district to make such decisions. Those data specifically provide the in-depth information that will help the reader understand the dynamics of this choice model in action.

Validity of the Data Collected

It is imperative that social scientists know whether they are measuring what they intend to measure in their research. To ensure that they are doing so, they use validity measures (Royal Windsor Society n.d.). Stake (as cited in Tellis 1997) states that the protocols used to ensure accuracy and alternative explanations are called triangulation. The need for triangulation arises from the ethical need to confirm the validity of one's work. Thus, the way that validity will best be achieved for this study is through *triangulation* of data. There are different triangulation methods to corroborate data. They include methods triangulation (different methods to collect the same data); theory triangulation (different perspectives to interpret data); investigator triangulation (more than one researcher to collect data); and data triangulation (using different data sources to test data) (Hoepft n.d.; Cantrell n.d.). Data triangulation is used for this study for the main data collection. This means that more than one person is interviewed/surveyed to validate data.

This without question is the most logical for this study. Asking the same individuals to be interviewed by more than one person or trying to collect data from that same individual in different manners would not be as effective as validating what is told through other players in the same arena. Thus, as the superintendent is the main source of data through the interview, the triangulation method is to verify his or her story through other parties. Board members, as other key players in the district decision-making process, provide an excellent source of validation. The local newspaper reporter, a third party watching the drama outside the boundaries of the organization, also provides excellent validation. The reporter not only is able to verify the story told by the superintendent/board members but also provides other perspectives (if any) from outside the organization (i.e., community members or other vocal stakeholders).

Source documentation does not need to be validated, although with that comes the understanding that such sources cannot be counted on to tell a complete story about any particular reality in the setting. Rather, they provide supporting data to paint a picture of the research setting and to be explained through the interviews conducted.

RESEARCH SETTING

Michigan as an Ideal Setting for Study

In order to evaluate how school systems will react to choice initiatives, an environment where choice has been implemented must be chosen. For this study, specific school districts in the state of Michigan are used. Michigan provides an excellent theater for study based on the implementation of several choice initiatives in recent years, such as interdistrict public school choice, charter schools, and postsecondary enrollment options. The state has displayed as aggressive a policy toward choice initiatives as anywhere in the United States. Additionally, Michigan has a large population. It includes large urban, suburban, and rural areas of varied ethnic, racial, and socioeconomic status and varying student achievement results. All this provides for a rich environment to test the theoretical framework developed.

The History of Choice in Michigan

The circumstances under which choice policies exist in the research setting (Michigan) can best be outlined by taking a look at the history of choice there. While the choice debate has gathered new momentum in recent years in Michigan (right along the national trend), the concept has been around for quite some time in the region.

The sentiment in 1970 was strongly against choice. A referendum was passed by the voters of Michigan in 1970 that amended the state constitution outlawing private school vouchers or tax credits. The language in Article VIII, Section 2 is strong and comprehensive, prohibiting "payment, credit, tax benefit, exemption or deduction, tuition voucher, subsidy, grant or loan of public monies or property . . . to support the

attendance of any student" at any nonpublic school. This language is considered the strongest antichoice language in the country.

Following this, a key U.S. Supreme Court decision involving Michigan changed desegregation efforts forever. In *Milliken v. Bradley* (1974), the court ruled that suburban school districts could not be included for purposes of desegregating the Central City School District. Taylor asserts that in handing down the Milliken decision the "court began a retrenchment, from which it has not yet emerged, that appeared to be responsive to the drumbeat of criticism from the Administration and Congress" (1978, 38). Justice Marshall, in his dissenting opinion, expressed similar sentiments:

> Today's holding, I fear, is more a reflection of a perceived public mood that we have gone far enough in enforcing the Constitution's guarantee of equal justice than it is the product of neutral principles of law. In the short run, it may seem to be the easier course to allow our great metropolitan areas to be divided up each into two cities—one white, the other black—but it is a course, I predict, our people will ultimately regret. (quoted in England and Morgan 1986)

This signaled the end of any major desegregation efforts in the Detroit area, and some would say it has helped to develop the current racial divide between the city of Detroit and its suburbs.

With the 1970 constitutional ban solidifying the parochial role of public schools, and the Milliken decision reducing the potential cry for private school alternatives to get around desegregation issues, the choice movement in Michigan was limited to a minority opinion of the general public.

The 1990 Gubernatorial Election Gives Choice a Big Boost in Michigan

In the 1980s, with school reform at the top of the national agenda and a conservative national political machine (Reagan, Bush) running strong, a renewed interest in school choice came from the political right wing. The surprise gubernatorial victory in 1990 of out-of-state conservative Republican John Engler gave the Michigan choice movement a big boost. One major agenda item for this new governor was education. And part of that educational agenda was school choice. He addressed both houses of the Michigan legislature on September 11, 1991, outlining his support for school choice. His support was strengthened by a new, conservative State Board of Education that also supported choice policy and included the concept in its goals statement of 1990–1992. Suddenly, conservative think tanks gained political clout through the ear of the governor, and a new political landscape appeared in Michigan, giving the choice movement new life and a great deal of momentum.

School finance reform in 1994 provided another key component for the governor's agenda. By having school district funding transferred from local control (primary reliance on property tax) to state control (all school districts now funded through a state-controlled foundation grant), and having funding now calculated on a per-student basis, the process was set in place to allow for school funding to be transportable, easily moved from one school organization to another. The funding now can be credited anywhere a student is attending school and is counted.

With choice on the governor's agenda, and his conservative constituency supporting him, the push for new legislation allowing students to choose their school was making strides. Public opinion in Michigan began to change. While a 1993 poll showed

50 percent of Michigan voters favoring a school choice plan, a 1995 poll showed 61 percent support (Richardson 1995). With a new Republican majority elected in the House of Representatives in 1994 to go along with a majority in the Senate, the governor moved ahead school reform measures in 1995 by redoing the state School Code (a compilation of laws that lay out the operation of state schools). This was known as "School Code reform" and included not only school choice proposals but also charter school law language. Public school alternatives were on top of the agenda now, and it was a forgone conclusion that the landscape of public schools in Michigan was going to change.

As the debate ensued regarding School Code reform, traditional allies and foes lined up on both sides of the choice issue. The Republican-led school board ("State Board to Concentrate on Character" 1996), the state Chamber of Commerce ("Senate Panel Approves School Choice" 1995), and organized groups supporting choice (Toward Educational Accountability and Choice. *Five Reasons Why You Should Support Full Educational Choice and Join TEACH Michigan, n.d.)* were there supporting the Republican majority. The Democratic minority, with support from teacher unions ("School Choice Bill Faces Delay" 1995; "House Education Panel" 1995) and other public school organizations ("House Education Panel" 1995), questioned many of the choice initiatives and raised several concerns about the proposals, including the arguments that such alternatives would cause segregation and discrimination. Finally, in December 1995, legislation was passed revising the state School Code. Public school charter law was born, but the school choice language was held off until another day, as there were too many pieces that needed to be worked out that just wouldn't fit with the complexities in other law changes ("Near Midnight" 1995).

Republicans did promise that the choice proposal would be introduced very soon in 1996 ("Near Midnight" 1995). They made good on their promise, as choice language was introduced as part of State School Aid Legislation for the following year in 1996–1997, and signed into law by the governor on June 19, 1997 (Michigan Dept. of Education 1996). Not only were public charter schools a part of Michigan's new educational landscape, but now students could attend any school that would open its doors to them within their intermediate school district.

The Specifics of Michigan School Choice

Below are the highlights of the Michigan choice policy under which schools in the research setting are operating (Michigan State Aid Bill 2000):

- It is interdistrict choice, where students can attend a school that resides in a different school district from where they reside.
- Individual school districts can choose to accept nonresident students (opt in) or can decide not to accept nonresident students and opt out of the choice program.
- School districts can identify which schools and which grades they will allow nonresident students to attend. For example, a school district can decide to opt into the program and accept nonresident students, but only at one of their 10 schools, and only at the third grade.
- Participating school districts cannot deny access to certain students. A lottery must be held if there are more applicants for their program than there are open spaces.
- Students can select schools only from within their intermediate school system or school districts that touch their boundaries.

- School districts receive the state per student funding amount for each nonresident student they accept. This funding is based on the lower of their own per student rate or the per student rate of the district in which the student resides.

Wayne County: The Geographical Region of Michigan Chosen for Study

Because of the state's size and its vast array of communities, it is necessary to limit the geographical region for study and the number of school systems to be studied within it in order to do meaningful qualitative work. The regional area chosen for this study is the most populated county in the state, Wayne County. Wayne County, the third-largest county in the United States, geographically covers an area in excess of 600 square miles and contains a school-age population that comprises approximately one-third of all the school children in the state of Michigan. Within the county intermediate school district are 34 local districts, which vary greatly in population, size, and socioeconomic status. It includes suburban and rural districts, as well as the major urban metropolis in the state, the city of Detroit. It also encompasses within its boundaries one of the largest and most varied ethnic populations in the country, having a major concentration of several culturally different ethnic groupings (Wayne County Intermediate School District 1989). Although one school system in the study, Ferndale, resides in a nearby county, its border falls on the Wayne County border, making the description regionally appropriate.

Table 2 sets the picture for the environment being studied. It describes the school districts in the area of study and their communities. Community data are based on 1990 census information. School data are based on State Department of Education reports from 1998 to 1999.

Table 2. School District Profile

District	Median Housing	House-hold	Poverty Level	Tax Base	Percent-age H.S.	Percent-age College	Founda-tion	Student Enroll-	Racial/ Ethnic Break-	Test Scores	Drop Out Rate	Free/Re-duced

	Value	Income			Diploma	Diploma	Grant	ment	down			Lunch
Dearborn	69,263	35,040	18	226,500	77	21	7,556	16,263	5.7	61	3.8	34.4
Inkster	34,199	19,008	46.5	44,400	62	6	6,449	1,748	98.5	21.75	18.8	78.5
Taylor	47,102	32,632	18	87,486	70	7	6,429	11,358	16	50.75	4.7	38.8
Detroit	25,294	18,742	44	34,793	63	9	6,046	173,856	96	43.75	5.4	67.6
Westwood	38,867	30,452	23.5	81,227	70	9	6,371	2,216	68	43.4	3.3	60.4
South Redford	61,830	38,348	5	161,200	80	13	6,588	3,447	14	59	6.1	15
Melvindale N.A.P.	46,503	29,556	14	199,500	69	8	7,735	247	12	51.5	4.7	33.9
Crestwood	76,067	39,635	5	186,400	78	17	6,207	3,052	6	67.6	3.1	15
Dearborn Hts.	50,984	34,468	8	74,500	71	8	5,462	2,491	6	45.8	6.2	25.5
Plymouth Canton	111,820	49,047	4.75	185,228	89	30	5,986	16,103	11.5	72	2.4	7.5
Wayne-Westland	55,599	33,924	12	109,643	74	8	5,883	14,618	18	55.75	9.6	27.7
Van Buren	63,269	36,844	9.6	124,712	78	15	6,180	6,217	26	49	7.3	24.8
Northville	160,914	56,273	2.2	221,279	90	42	7,012	4,894	7	81	0.5	1.1
Livonia	92,077	46,155	3	205,171	85	21	7,067	17,880	5	73.7	3.6	5.2
Huron	79,876	41,680	3	112,491	75	10	6,046	2,013	7	59.85	9.5	19.7
Garden City	59,291	38,612	5	96,703	75	7	6,145	4,853	3	51.4	6.4	10.9
Grosse Pte.	147,937	56,292	2.4	251,369	92	49	8,561	8,561	6	81.475	1.2	2.5
Romulus	48,695	31,516	17.3	150,289	70	6	7,612	4,086	45	50.45	3.4	45.8
Ferndale	42,071	31,329	14.23	98,474	0.79	0.19	6,571	592	16	53.875	6.3	40.8
Berkley	70,808	40,000	6.7	150,118	0.81	0.3	6,611	4,383	8	75.75	2.1	10.9
Royal Oak	74,791	36,777	4.9	224,649	0.86	0.27	7,813	6,935	5	71.1	6.4	8.4
Oak Park	45,680	33,821	19	116,671	0.79	0.21	6,548	3,713	64	57.85	3.5	45.1

* Nearby Oakland County school districts, still located in the Wayne area.

Data sources: (Michigan Department of Education, 1998-99; Michigan Department of Management and Budget, 2000)

As you can see, the area shows great diversity in socioeconomic background, racial/ethnic balance, and educational attainment. School districts also vary in size, funding, and student achievement.

Within the immediate Wayne County area, seven school systems were chosen for study. This number allows meaningful observation and analysis, yet at the same time it allows for the analysis of more than one set of circumstances. Thus, the study provides an in-depth analysis of how certain identified school systems have reacted to choice initiatives and what were key factors that drove them to their actions.

The seven school districts are presented with both similar and different circumstances that could affect their reaction based on the theoretical frameworks outlined. They also represent districts that have different characteristics such as racial balance, competing forces (other schooling options for students within their boundaries), financial circumstances, socioeconomic status, and student and community makeup. Thus, the goal of maximum variation is achieved, while at the same time opportunities exist for comparisons to be made. The group provides excellent settings from which to draw data to help us understand how choice policy affects schools. They are listed below, with descriptions of the particular circumstances that justify why they were chosen.

Plymouth-Canton

The Plymouth-Canton School District is a school system with an interesting economic dilemma. One of the largest and fastest growing school systems in the state, it is situated in an affluent community that generally has educational expectations similar to other wealthy suburbs. The difference is that Plymouth-Canton is one of the more poorly funded school systems in the county. Thus, it faces unusual economic pressures. These pressures could be eased by taking in nonresident students and their attached revenues from surrounding systems under new choice law.

The school district sits on the farthest western outskirts of Wayne County, some 30 miles from the inner core of the city of Detroit. It is a large school system, with more than 16,000 students. It covers a vast amount of territory, 54 square miles. This includes five different townships and one city.

The development in this school community is diverse. It includes a quaint downtown area, high-end industrial developments, shopping centers, modern affluent

subdivisions, and open farmland (*Welcome to Plymouth-Canton Community Schools* 1998–1999). While the downtown has been established for some time, much of the development is rather new. Once made up of a great deal of underdeveloped land, this community has experienced a substantial amount of residential and commercial growth. It can probably best be described as a middle-to-upper-income suburban area that has experienced growth with moderate-to-upscale development. The growth has expanded the population to 90,000 strong and has also led to increased enrollment in the school district, making it one of the 10 largest in the state (*Welcome to Plymouth-Canton Community Schools* 1998–1999). Due to this, building space has been a top priority in recent years, as the district has needed to address growing enrollment.

The data in Table 3 provide a description of a somewhat affluent community with a high socioeconomic status. Community members are well educated, live in nice homes, and make a good living. The poverty level is low. Student performance is relatively high. The one significant item shown by the data is that while the community has a relatively high socioeconomic status, it is one of the *more poorly* funded school systems in the area (ranking 20th out of 22 districts in our survey of the surrounding area).

When comparing Plymouth-Canton with neighboring school districts, it is noted that to the north and northeast lie affluent communities with strong student achievement (and high funding). To the south and east we see a slightly lower socioeconomic climate and poorer student achievement. We also see a higher minority population to the south and east. The west has (though not noted on the previous page as it sits in another county, separated by open land) a community and student profile much like that of Plymouth-Canton.

Table 3. Plymouth-Canton District Profile

Community Profile	Plymouth Canton	District to the North: Northville	South: Van Buren	East: Livonia	East: Wayne-Westland
Median housing value	111,820 (3)	160,914 (1)	63,269 (10)	92,077 (4)	55,599 (13)
Household income	49,047 (3)	56,273 (2)	36,844 (10)	46,155 (4)	33,924 (14)
Poverty level*	4.75% (5)	2.2% (1)	9.6% (11)	3% (3)	12% (12)
Tax base**	185,228 (8)	221,279 (4)	124,712 (12)	205, 151 (5)	109,643 (14)
College degree***	30% (3)	42% (2)	15% (11)	21% (6)	8% (16)
District Profile					
Student enrollment	16,103	7,012	6,217 (16)	17,880	14,618
Racial/ethnic breakdown******	12%	7%	26%	5%	18%
Test scores******	72 (5)	81 (2)	49 (18)	73.7 (4)	56 (12)
Dropout rate	2.4% (4)	0.5% (1)	7.3% (19)	3.6% (9)	9.6% (21)
Foundation grant*******	5,986 (20)	7,012 (7)	6,180 (16)	7,067 (6)	5,883 (21)

The parentheses indicate the district's ranking compared with 22 surrounding school districts.

* A percentage of the total population

** Taxable value in the community shown on a per student basis

*** Percentage of the community that have a college degree

**** Percentage of students identified as minority in the district

***** Average of fourth- and seventh-grade test scores (defined as a percentage of students who have reached a level of proficiency as defined by the state) on state standardized tests for 1998–1999)

Data sources: (Michigan Department of Education, 1998-99; Michigan Department of Management and Budget, 2000)

Romulus

Romulus is in almost the opposite position of Plymouth-Canton. A small school system situated in a somewhat low socioeconomic area, Romulus is one of the better funded school systems in the county. It has a mixed racial/ethnic population and is surrounded by minority populations to the east and white populations to the west. Thus, if the district chose to accept nonresident students (or lost students to surrounding

communities), its existing delicate racial balance could change. Additionally, the district's administration has a reputation for pushing the envelope as it relates to school operations, and it started up a school that would accept nonresident students who had dropped out of school shortly after the new choice law passed. The move stirred a great deal of controversy, as the school was opened not in Romulus but Detroit.

The Romulus School District is located in the western portion of Wayne County, some 18 miles from Detroit. It is one of the smaller districts in the area, with five elementary schools, one middle school, and one high school that house a total of approximately 4,000 students. It covers 35 square miles and is located solely within the boundaries of the city of Romulus.

The city is basically a small bedroom community with its major landmark being the dominant metropolitan airport for the area. The community has automotive manufacturing facilities, undeveloped green space, and beyond that very little else (*Romulus Community Profile* n.d.). To help illustrate the dominance of the airport and its related businesses, the community's tax base is biased largely toward industrial/commercial property. Residential property makes up only 28 percent of the total taxable valuation of the community (*Romulus Community Schools Bond Official Statement* 1998). The remainder is commercial/industrial property, and the majority of that relates to one major industrial facility and businesses that relate to the airport. The airport encompasses 11 of the 35-mile space within district boundaries. The community has had a somewhat stable population housing approximately 22,000 residents for the past several years (*Romulus Community Schools Bond Official Statement* 1998). There is not much of any town to speak of. And the very small downtown area is described as

"blue collar." Railroad tracks separate the town into northern and southern sections and also subdivide the community by race to some extent (Biddell 1999).

The data in Table 4 describe a racially integrated community that has a high tax base but whose residents have a low socioeconomic status. They also are not highly educated.

The neighboring school community to the east is rather similar to Romulus, with the exception of a smaller minority mix. School communities to the north and west also don't seem to be much different, though they have slightly higher socioeconomic status and also a smaller minority mix. The school community to the south has a much higher socioeconomic status and a much lower minority mix. One small school community to the north is very poor, has a high minority population, and struggles with student performance.

One glaring difference seen in the Romulus schools is that while the area's residents have low socioeconomic status, it is one of the *better funded* school systems in the area. This can be attributed to the rich tax base created by the industrial- and airport-related developments in the community.

Table 4. Romulus District Profile

Community Profile	Romulus	District to the North: Wayne-Westland	West: Van Buren	South: Huron	North: Inkster	East: Taylor
Median housing value	48,695 (16)	55,599 (13)	63,269 (10)	79,786 (5)	34,199 (22)	47,102 (17)
Household income	31,516 (18)	33,924 (14)	36,844 (10)	41,480 (5)	19,008 (22)	32,632 (17)
Poverty level*	17% (17)	12% (12)	9.6% (13)	3% (3)	46.5% (23)	18% (18)
Tax base**	150,289 (10)	109,643 (14)	124,712 (12)	112,491 (13)	44,400 (22)	87,486 (18)

Community Profile	Romulus	District to the North: Wayne-Westland	West: Van Buren	South: Huron	North: Inkster	East: Taylor
College degree* **	6% (22)	8% (16)	15% (11)	10% (14)	6% (22)	7% (20)
District Profile						
Student enrollment	4,086	14,618	6,217	2,013	1,748	11,358
Racial/ethnic breakdown** **	45%	18%	26%	7%	99%	16%
Test scores** **	50 (18)	56 (12)	49 (19)	59.85 (9)	21.75 (23)	50.75 (17)
Dropout rate	3.4% (7)	9.6% (21)	7.3% (20)	9.5% (21)	18.8% (23)	4.7% (12)
Foundation grant*** **	7,612 (4)	5,883 (21)	6,180 (16)	6,046 (18)	6,449 (12)	6,429 (13)

The parentheses indicate the district's ranking compared with 22 surrounding school districts.

* A percentage of the total population

** Taxable value in the community shown on a per student basis

*** Percentage of the community that have a college degree

**** Percentage of students identified as minority in the district

***** Average of fourth- and seventh-grade test scores (defined as a percentage of students who have reached a level of proficiency as defined by the state) on state standardized tests for 1998–1999)

Data sources: (Michigan Department of Education, 1998-99; Michigan Department of Management and Budget, 2000)

Wayne-Westland

Wayne-Westland is a large school system that has faced financial crisis in recent years. A shocking reduction in revenue in 1992–1993 after a failed millage combined with declining enrollment quickly put the district in the position where it faced massive program cuts and a budget deficit. This influencing factor is mixed with other factors, including a racially mixed community whose balance could change with the acceptance of nonresident students, differing surrounding communities as far as racial and socioeconomic status, and a history of occasional political instability. All this makes for

interesting dynamics as we look to see how Wayne-Westland has reacted to new choice policy.

The school district is a western suburb of Detroit, some 20 miles from the inner city. It is a large school district, educating approximately 15,000 students. It covers 25 square miles and encompasses five different municipalities (*FYI Wayne Westland* n.d.). The community can be described as a blue-collar bedroom community. There is one major automotive plant in the community that dominates the industrial development (outside of a few industrial park developments). The commercial development includes one major mall and a great deal of small commercial outlets located in strip malls and on main roads (*Westland Community Profile* n.d.).

The majority of the housing would best be described as middle-class or starter homes with many three-bedroom "bungalows." There are pockets of more medium-scale to upscale homes in the western and northwestern areas, and also pockets of poor, subsidized housing in the southeastern area. The community encompasses approximately 100,000 residents. The residential and commercial development has been established for some time. The largest municipality has worked hard to put in newer developments where possible, including a new library along with refurbishment of some of its roadways. There is little green space left in the area, and there also is no real discernable downtown areas in any of the municipalities within the district.

Table 5 supports the blue-collar, middle-class community described, as the district falls about in the middle of (or slightly below) the pack of districts in the urban/suburban area when looking at housing values, household income, poverty level, tax base, and residents with college degrees. This description is also supported by the fact that while

only 8 percent of the community have college degrees, the community as a whole has moderate income levels, moderate housing values, and low poverty levels.

When comparing it with neighboring districts, we see more wealth and affluence to the north and west, and more poverty to the south and east. Looking at school data in Table 5, we note that the school district's funding is low, test scores are in the middle, and the dropout rate is high. Student achievement (as evaluated through test scores and dropout rates) is stronger in school districts to the north and west and generally weaker to the south and east. There is a minority presence in the community, and when looking at surrounding school districts, we see a smaller mix of minorities to the north and west and a higher mix to the south and east.

Again, of specific interest is that Wayne-Westland ranked 21st (second to last) of the districts identified in its funding per student (foundation grant). Thus, funding is a major factor for the district, specifically in comparison with its socioeconomic status.

Table 5. Wayne-Westland District Profile

Community Profile	Wayne-Westland	District to the North: Livonia	West: Plymouth	South: Romulus	East: Inkster	East: Garden City
Median housing value	55,599 (13)	92,077 (4)	111,820 (3)	48,695 (15)	34,199 (21)	59,291 (12)
Household income	33,924 (14)	46,155 (4)	49,047 (3)	31,516 (17)	19,008 (21)	38,612 (8)
Poverty level*	12% (12)	3% (3)	5% (5)	17% (15)	46.5% (21)	5% (7)
Tax base**	109,643 (14)	205,151 (5)	185,228 (8)	150,289 (10)	44,400 (20)	96,703 (16)
College degree***	8% (16)	21% (6)	30% (3)	6% (21)	6% (21)	7% (19)
District Profile						
Student enrollment	14,618	17,880	16,103	4,086	1,748	4,853
Racial/ethnic breakdown****	18%	5%	11.50%	45%	99%	3%

Community Profile	Wayne-Westland	District to the North: Livonia	West: Plymouth	South: Romulus	East: Inkster	East: Garden City
Test scores**	56 (12)	73.7 (4)	72 (5)	50 (17)	21.75 (21)	51.4 (14)
Dropout rate	9.6 (21)	3.6 (9)	2.4 (4)	3.4 (7)	19 (22)	6.4 (17)
Foundation grant***	5,883 (21)	7,067 (6)	5,986 (20)	7,612 (4)	6,449 (12)	6,145 (17)

The parentheses indicate the district's ranking compared with 22 surrounding school districts.

* A percentage of the total population

** Taxable value in the community shown on a per student basis

*** Percentage of the community that have a college degree

**** Percentage of students identified as minority in the district

***** Average of fourth- and seventh-grade test scores (defined as a percentage of students who have reached a level of proficiency as defined by the state) on state standardized tests for 1998–1999)

Data sources: (Michigan Department of Education, 1998-99; Michigan Department of Management and Budget, 2000)

Inkster

Inkster is also a district in financial chaos, but in a situation that is more critical and long lasting. A small district to begin with, its enrollment has dropped from more than 4,000 students to only approximately 1,500. As Table 6 shows, the community is largely minority and has a low socioeconomic makeup. Student achievement has been low. The district has been affected by several charter schools that have opened in the vicinity. It could be considered on the brink of bankruptcy, and it has looked to a private third-party company to come in and help run its schools.

The district is located in central Wayne County approximately 17 miles west of Detroit. It is a small school district located in a small community. It covers about six square miles and primarily services the community of the city of Inkster. There are approximately 30,000 residents in the community, and yet the district serves less than 2,000 students (*Inkster Community Profile* n.d.).

The city can best be described as a residential community with some industrial and commercial development. Development is concentrated along a few key roads that send traffic both east and west and north and south through the community. There are no key discernable business developments or landmarks in the community. Business basically includes small commercial retail (*Inkster Community Profile* n.d.).

The community is rather poor, as shown in Table 6. The majority of the community is African American, and it has a low level of education compared with its neighbors.

The student body of the district is also mostly African American. They come from low socioeconomic backgrounds, and student achievement is low. While the funding per student is rather decent, the district is in financial distress because of a large enrollment loss over the past several years. This has caused a hemorrhaging of its budget, putting it in a current deficit and requiring it to prepare a plan for the state to come out of the deficit. The administration has also been in a great deal of flux. It has employed several superintendents over the past five years. Currently it has only one central office administrator.

The district's neighbors are more affluent, except to the east where Detroit is located.

Table 6. Inkster District Profile

Community Profile	Inkster	District to the West: Wayne-Westland	East: Westwood	East: Detroit	South: Romulus	North: Garden City
Median housing value	34,199 (22)	55,599 (13)	38,867 (21)	25,294 (23)	48,695 (16)	59,291 (12)
Household income	19,000 (22)	33,924 (14)	30,452 (20)	18,742 (23)	31,516 (18)	38,612 (8)
Poverty level*	46.5% (23)	12% (12)	23.5% (21)	44% (22)	17% (17)	5% (7)

Community Profile	Inkster	District to the West: Wayne-Westland	East: Westwood	East: Detroit	South: Romulus	North: Garden City
Tax base**	44,400 (22)	109,643 (14)	81,227 (19)	34,793 (23)	150,289 (10)	96,703 (16)
College degree***	6% (22)	8% (16)	9% (15)	9% (15)	6% (22)	7% (19)
District Profile						
Student enrollment	1,748	14,618	2,216	173,856	4,086	4,853
Racial/ethnic breakdown****	99%	18%	68%	96%	45%	3%
Test scores*****	21.75 (23)	56 (12)	43.4 (22)	43.75 (21)	50 (18)	51.4 (14)
Dropout rate	18.8 (23)	9.6 (21)	3.3 (6)	5.4 (14)	3.4 (7)	6.4 (17)
Foundation grant******	6,449 (12)	5,883 (21)	6,371 (14)	6,046 (19)	7,612 (4)	6,145 (17)

The parentheses indicate the district's ranking as compared to 22 surrounding school districts.

* A percentage of the total population

** Taxable value in the community shown on a per student basis

*** Percentage of the community that have a college degree

**** Percentage of students identified as minority in the district

***** Average of fourth- and seventh-grade test scores (defined as a percentage of students who have reached a level of proficiency as defined by the state) on state standardized tests for 1998–1999)

Data sources: (Michigan Department of Education, 1998-99; Michigan Department of Management and Budget, 2000)

Dearborn

Dearborn is a large, growing, well-funded school system. It currently has little budgetary concerns, relatively speaking. It has a very large Arab-American population. It also borders the troubled school district of the city of Detroit, and thus undoubtedly could attract many nonresident students if it opted to accept them. It also has had trouble getting the community to support a bond issue to create additional needed classroom space. Internally, it has created theme schools at several of its buildings to provide more choices

to students in its community. It is of interest to see how a wealthy, suburban district that could be characterized as stable reacts to choice alternatives.

The district is located in the home of a world famous auto company, which has had great impact on the quality of life in the community. It has helped create a town, an industrial mecca, and a residential community that wins accolades for cleanliness and public services (*Dearborn Community Profile* n.d).

As seen in Table 7, the district is large and growing. The district is well regarded. It encompasses only one municipality—the city of Dearborn. The schools are also unique in that they operate together with a community college that bears the name of the founder of the influential local car manufacturer.

The town has been heavily influenced by the car manufacturer, and this has led to major investment in the area. Industrial facilities, major upscale retail operations, a championship golf course, and prime office space cover the community. This is mixed with an impressive cultural center that draws visitors from all around. Historic museums and attractions, many sponsored by the carmaker, are a great draw. There are also two colleges in town. Major health providers round out a very well planned and well regarded business and cultural community, providing an outstanding tax base for the area (*Dearborn Community Profile* n.d).

As can be seen, the community has high housing values. It is also the home of one of the largest Arab-American populations in the United States. They play a key role in the city's culture, including its churches, city government, and schools.

Student enrollment continues to rise in Dearborn. The student achievement is strong and dropout rates are relatively low. Funding is also high for its schools. Yet

through the community there are pockets of poverty. This is reflected in its high poverty rate and high qualification for free and reduced lunches within the schools. And only 21 percent of the community has a college degree. Thus, the district has a high range of diversity within the community it educates.

The financial condition of the school district is strong. Yet it has struggled with facility issues, especially in the face of growing enrollment. Recent bond issues to expand the facilities have failed, in part due to controversy in the community based on facilities for ethnic groups. Again, its neighbors for the most part do not share the same tax base and corresponding wealth that Dearborn does.

Table 7. Dearborn District Profile

Community Profile	Dearborn	District to the West: Crestwood	West: Westwood	South: Melvindale	North/East: Detroit
Median housing value	69,263 (9)	76,067 (6)	38,867 (21)	46,503 (19)	25,294 (23)
Household income	35,040 (13)	39,635 (7)	30,452 (20)	29,556 (22)	18,742 (23)
Poverty level*	18% (18)	5% 7)	23.5% (21)	14% (15)	44% (22)
Tax base**	226,500 (2)	186,400 (7)	81,227 (19)	199,500 (6)	34,793 (23)
College degree***	21% (6)	17% (10)	9% (15)	17% (8)	9% (15)
District Profile					
Student enrollment	16,263	3,052	2,216	2,247	173,856
Racial/ethnic breakdown****	6%	6%	68%	12%	96%
Test scores****	61 (8)	67.6 (7)	43.4 (22)	52 (15)	43.75 (21)
Dropout rate	3.8 (10)	3.1 (5)	3.3 (6)	4.7 (12)	5.4 (14)
Foundation grant*****	7,556 (5)	6,207 (15)	6,371 (14)	7,735 (3)	6,046 (19)

The parentheses indicate the district's ranking compared with 22 surrounding school districts.

* A percentage of the total population

** Taxable value in the community shown on a per student basis

*** Percentage of the community that have a college degree

**** Percentage of students identified as minority in the district

***** Average of fourth- and seventh-grade test scores (defined as a percentage of students who have reached a level of proficiency as defined by the state) on state standardized tests for 1998–1999)

Data sources: (Michigan Department of Education, 1998-99; Michigan Department of Management and Budget, 2000)

Ferndale

Ferndale is actually in a neighboring county, Oakland County, but resides in suburban Detroit right on the border of the city of Detroit. As depicted in Table 8, it serves a small minority population and a low-to-moderate-level socioeconomic community. It is a smaller school system and is facing financial pressures due to, among other things, declining enrollment. Additionally, nearby districts are aggressively recruiting nonresident students. Due to Ferndale's financial constraints, it has recently entertained opening up its choice program. A key factor is that the law recently changed to allow Detroit residents to participate in its choice program, where previously they could not. It recently had a significant decision to make over whether to allow Detroit residents into its program in order to generate additional revenues.

The community can best be described as a small bedroom community. The city covers only 3.9 square miles and besides its residential community sports a somewhat trendy downtown with shops, restaurants, and nightlife (*Welcome to FerndaleOnline* n.d). It has no significant large business development to speak of. As you can see in Table 8, the district is not a wealthy community by any means. While the minority population is not large, the community does have a diverse racial/ethnic mix. Student achievement is not outstanding. School funding levels are rather decent. A comparison of Ferndale with its neighboring districts shows that there is wealth to the north and poverty to the south. This makes for an interesting dynamic in a choice environment.

Ferndale faces a challenging dilemma in the new choice environment. It is seeing declining enrollment and competition for students from districts to the north and east. And yet if it opens its doors to nonresident students to combat the enrollment issue, it faces disrupting a delicate racial/ethnic balance and challenges that will come from the possible negative perception created by accepting students from nearby Detroit. Both forces will be strong. The district's reaction will be of great interest.

Table 8. Ferndale District Profile

Community Profile	Ferndale	District to the West: Berkley	East: Oak Park	South: Detroit	North: Royal Oak
Median housing value	42,071 (20)	70,808 (8)	45,680 (19)	25,294 (23)	74,791 (7)
Household income	31,329 (19)	40,000 (6)	33,821 (16)	18,742 (23)	36,777 (11)
Poverty level*	14.23% (16)	6.7% (10)	19% (19)	44% (22)	4.9% (6)
Tax base**	98,474 (15)	150,118 (11)	97,891 (16)	34,793 (23)	224,649 (3)
College degree***	19% (9)	30% (3)	21% (6)	9% (15)	27% (5)
District Profile					
Student enrollment	4,730	4,383	3,713	173,856	6,935
Racial/ethnic breakdown****	16%	8%	64%	96%	5%
Test scores*****	54 (14)	76 (3)	58 (12)	43.75 (21)	71 (6)
Dropout rate	6.3% (17)	2.1% (3)	3.5% (8)	5.4% (14)	6.4% (18)
Foundation grant******	6,571 (10)	6,611 (8)	6,548(11)	6,046 (19)	7,813 (2)

The parentheses indicate the district's ranking compared with 22 surrounding school districts.

* A percentage of the total population

** Taxable value in the community shown on a per student basis

*** Percentage of the community that have a college degree

**** Percentage of students identified as minority in the district

***** Average of fourth- and seventh-grade test scores (defined as a percentage of students who have reached a level of proficiency as defined by the state) on state standardized tests for 1998–1999)

Data sources: (Michigan Department of Education, 1998-99; Michigan Department of Management and

Budget, 2000)

Redford Union

Redford Union is in a situation very similar to Ferndale's. It is about the same size and is facing a similar financial crunch—losing enrollment and facing budget cuts. It also borders the Detroit Public Schools. As seen in Table 9, it has a lower funding base than Ferndale and is below Ferndale socioeconomically. Like Ferndale, it wrestled with the choice issue, faced similar community issues, and put itself in a position of deciding whether it wanted the supplemental funds nonresident students would bring.

The Redford community is primarily residential. It has affordable housing sought by many first-time homeowners. The city does incorporate a major thoroughfare within its boundaries, where some commercial development exists. But the tax base is relatively low, and there are no major attractions (*Redford, MI, Real Estate* n.d.). As Table 9 shows, the community has a moderate socioeconomic status with a minimal minority population. Student achievement is decent, but the school system is poorly funded. Neighboring communities to the west are much more affluent, and the community to its east is very poor.

Thus, Redford Union finds itself in a situation similar to that of Ferndale. While not facing the type of neighboring competition Ferndale is, it is facing just as severe if not a more severe financial crisis and demographic loss of enrollment. Thus, it faces the same dilemma. Does it open its doors to nonresident students for additional revenue in the face of possible community concern and long-term consequences from the perceptual loss the district may incur by taking in inner-city students? This setting provides another rich environment to test the choice theories.

Table 9. Redford Union District Profile

Community Profile	**Redford Union**	**District to the West: Livonia**	**South: South Redford**	**East: Detroit**

Community Profile	Redford Union	District to the West: Livonia	South: South Redford	East: Detroit
Median housing value	52,592 (14)	92,077 (4)	61,830 (11)	25,294 (23)
Household income	36,356 (12)	46,155 (4)	38,348 (9)	18,742 (23)
Poverty level*	7% (11)	3% (3)	7% (5)	44% (22)
Tax base**	79,545 (20)	205,151 (5)	161,200 (9)	34,793 (23)
College degree***	13% (12)	21% (6)	13% (12)	9% (15)
District Profile				
Student enrollment	4,967	17,880	3,447	173,856
Racial/ethnic breakdown****	6%	5%	14%	96%
Test scores****	59 (11)	73.7 (4)	59 (10)	43.75 (21)
Dropout rate	4.3% (11)	3.6% (9)	6.1% (15)	5.4% (14)
Foundation grant*****	5,677 (22)	7,067 (6)	6,588 (9)	6,046 (19)

The parentheses indicate the district's ranking compared with 22 surrounding school districts.

*A percentage of the total population

**Taxable value in the community shown on a per student basis

***Percentage of the community that have a college degree

****Percentage of students identified as minority in the district

*****Average of fourth- and seventh-grade test scores (defined as a percentage of students who have reached a level of proficiency as defined by the state) on state standardized tests for 1998–1999)

Data sources: (Michigan Department of Education, 1998-99; Michigan Department of Management and Budget, 2000)

Summary—Research Settings

Again, this setting, which has such a rich and varied environment, will be an excellent place to test the research questions posed. The sampling process of choosing a maximum variation within the population has been used, and qualitative research boundaries for such selection have been met. This group of school systems will provide an extremely rich data source, and will provide excellent conditions to test the theories presented in this work. The research questions posed will be well addressed here, and the

opportunity for exciting data is present to help us develop an understanding of the impact and choice policies in the educational arena.

RESEARCH DATA

The Data Collected and How It Is Studied

The theoretical framework has identified key factors that are anticipated to cause school systems to react to school choice initiatives. For this particular study this includes key factors that should influence whether school systems will opt in or out of the state choice program, and also theoretically how school systems will react to competition in their new environment. Simply put, theory would lead us to believe that choice initiatives will force districts to act competitively if they feel market pressures from the new policy.

The theory is tested with the data collected in the following manner:

First, it is predicted whether each school system being studied will opt into the state choice program or opt out. Then the data collected is used to compare the prediction to what actually occurred.

Second, key reactions expected to occur in the new competitive environment, as identified in the theoretical framework, are compared with actual reactions to determine what theoretical arguments hold true in the research settings being studied.

Third, the study explores data collected in each research setting to provide key insight as to why districts reacted as they did.

Fourth, the work is summarized to identify key findings and observations from the case studies.

As outlined in "Methods," the data gathered to tell the story of each school district in the study came from several sources. The most insightful and informative data came primarily from key administrators in each school district. These individuals provided the most detailed and rich data to help explain how their district reacted to choice initiatives.

Supporting data were collected through surveying local school board members, the key decision makers. Newspaper articles and interviews with newspaper reporters also supplied valuable information on stories unfolding in each community.

Lastly, archival public records were used to help characterize each school system. Table 10 provides a summary of the data collected for each case study and the methods used to develop the data section.

Table 10. Data Collection

	Districts						
District	**Wayne-Westland**	**Redford Union**	**Romulus**	**Plymouth-Canton**	**Inkster**	**Ferndale**	**Dearborn**
Interviews	Former supt. (Oct. 1998) Current supt. (August 1999)	Former business manager (March 2000)	Former supt. (August 1999) Former business mgr./current supt. (Aug. 1999)	Former supt. (July 1998) Current supt. (July 2000)	Current C.E.O. (August 2000)	Current business mgr. (Sept. 2000)	Current supt. (March 2000)
Board member surveys received	Two board members	Two board members	One board member	Two board members	One board member	Three board members	Three board members
Newspaper articles and interviews	Interview (April 2000)	Article/interview (April 2000)	Articles	Articles/interview	Articles	Articles	*
Archival public records	Michigan Dept. of Mgmt. & Budget: Michigan Info. Center; School Databook.						

* School choice was not an issue that garnered any press coverage in this community.

Did School Districts Opt into or Out of the State Choice Program?

The theoretical framework would lead us to the conclusion that key factors will influence school districts in their decision to opt in or out of the state choice program. The most significant one would appear to be financial pressure, as school systems look for additional revenues through accepting nonresident students.

Another significant factor is the racial and socioeconomic makeup of surrounding school systems. Earlier studies have identified that students typically opt for choice schools in more affluent communities. Thus, if school systems are near lower socioeconomic communities, they will face the consideration of having lower socioeconomic students come to their schools and the impact that may have on their community in terms of the perception and the desirability of their schools. We know that this is often measured by socioeconomic-influenced factors such as racial makeup, income, and student test scores. A change in the perception of the schools could drive out current residents. Thus, school districts may risk the loss of revenues for fear of future loss of current students.

Lastly, local dynamics of each community, influenced by key players such as the superintendent, board members, special interest groups, and influential leaders, also can impact school district decisions.

Table 11 lists each district studied and how it rates on key factors that would influence it to either participate or not participate in the state choice program. A final prediction is made based on the factors outlined. This is then compared to what actually occurred.

Each factor in Table 11 is evaluated as a positive or negative influence on the board's decision to opt into or out of the state choice program and also as a strong or weak influence on the same decision.

In making the final prediction, it is assumed that financial condition will be the most predictive factor, desirability of surrounding districts next, and local dynamics the least predictive.

Table 11. Will School Systems Opt In or Out of the State Choice Program?

Influencing Factors	Districts						
	Wayne-Westland	**Redford Union**	**Romulus**	**Plymouth-Canton**	**Inkster**	**Ferndale**	**Dearborn**
1. Financial condition							
A) Budget stress	Strong positive	Strong positive	Strong negative	Strong positive	Strong positive	Strong positive	Strong negative
B) Enrollment trends/competition from surrounding districts/charters	Strong positive	Strong positive	Weak negative	Strong negative	Strong positive	Strong positive	Strong negative
2. Perceived desirability of surrounding communities	Weak negative	Strong negative	Weak negative	Neutral	Neutral	Strong negative	Strong negative
3. Local dynamics	Weak negative	Neutral	Neutral	Neutral	Strong negative	Strong negative	Neutral
Predicted action	Opt in	Opt in	Opt out	Either way	Opt in	Either way	Opt out
Actual action	Opt in for two years, then opt out	Opt in	Opt out of K–12 program, start an alternative choice school in Detroit	Opt out	Opt in	Limited opt in	Opt out

The narrative review of each case study looks in depth into the key influencing factors that led each district to its decision and helps explain why it did or did not act as it was predicted.

In What Ways Do Schools React to Their New Competitive Environment?

The theoretical framework predicts two main ways in which schools will react to competitive influences. One theory is that school reform will occur, as schools will have to change their methods of operation or risk losing their market share (students) to other competing agencies. More specifically, they will need to be more responsive to their customers, leading to changes in the way they are organized or changes in their

programs/services to compete with surrounding school options. This is Chubb and Moe's argument, as laid out in the theoretical framework chapter.

The other theory outlines a more practical response, where schools won't look to change their operations or services but instead will seek a market that fits with their existing operation. More specifically, they will market their existing programs and seek to fill open seats in existing classrooms or create profit centers to generate additional revenues for their district. This is Fege's argument—also presented in "Theoretical Framework."

Table 12 shows each district studied and a comparison of how it has reacted to its new competitive environment with how theory would predict it to.

Table 12. School District Reaction to Choice Competition

	Districts						
Expected Reactions	**Wayne-Westland**	**Redford Union**	**Romulus**	**Plymouth-Canton**	**Inkster**	**Ferndale**	**Dearborn**
School Reform							
Change programs/services to compete or meet consumer desires	No	No	Yes	No	Yes	Yes—minimal	Yes
Change mgmt/organizational structure or decision-making process	No	No	No	Yes—minimal	Yes	No	No
Seek Greater Financial Advantage							
Increase marketing strategies	No	No	No	Yes	Yes	No	Yes
Fill seats or create profit centers to increase revenues	Yes	Yes	Yes	No	No	Yes/no	No

The narrative review of each case study looks in depth at why districts reacted as noted above and what were the influential factors in their decision process.

Narratives

The following narratives outline key details from each case study that provide information essential for understanding each district's reactions, specifically to the questions of why it decided to either participate or not participate in the choice program and how it decided to compete in the new environment. The narratives will help us understand what factors were influential in each district's decision-making process. And also, we will see how the district reacted when responding to new pressures from the choice initiatives.

Wayne-Westland

As noted in the description of the research setting, Wayne-Westland is a district that has faced recent financial crisis. It is one of the more poorly funded school systems in the area. The board has also been at times in unrest, and the community may have concerns about accepting nonresident students based on its past history. It would appear that factors that would theoretically pull Wayne-Westland toward participation in choice include fiscal crisis and program cuts in 1996, along with declining enrollment (and corresponding loss of funding) and a supportive administration as it relates to choice (in 1996). The need for additional economic resources that choice students could provide was strong.

Factors that would theoretically pull Wayne-Westland away from participation include possible community reaction to pulling low-achieving and minority students from (particularly) the east into its school system. That is where it would be predicted students would come from based on neighboring school system reputations, funding levels, and student achievement. This is amplified by the fact that just a few years back the district

redid its boundaries (including closing school buildings), with one of its expressed goals being to balance minority populations within its schools. Additionally, the district annexed a school district to the east back in 1984, which was not supported by all members of the community. This annex, known as the Cherry Hill annex, left scars in the community. Another key factor is that the district has had different administrations over the past few years.

While the district was predicted to participate in the choice program based on its financial need, Table 11 shows that the district opted in for a while, then decided to opt back out. It is interesting to note on Table 12 that the district did not react as many theorists would anticipate, as it did not change programs, market, recruit, change key management structures, or work to improve perception factors. Below is the district's story.

Deciding to Opt In and then Opting Back Out

Opting In—A Need Based on Financial Crisis

After taking a year to determine the details of the choice program, Wayne-Westland decided first to opt into the statewide choice program. Several factors came together that led it to make such a decision.

The first factor that weighed heavily in the decision was the financial condition of the school district. Its financial crisis had tremendous impact on all of its decision making. This crisis seemed to overcome many traditional obstacles, including political ones. Any philosophical opposition to choice seemed to succumb to fiscal duress. "We had been through the big program cuts," explained the then superintendent. "Whatever the philosophical positions or past political wounds were, they were given up to survive

financially." Two issues that appeared on the surface to be major considerations for the school district were the issues of undesirable students coming into the school system and possibly a change in the racial makeup at its schools. In an attempt to respond to the first issue, the district put a condition on any choice student entering the system: he or she could have no more than two suspensions from his or her prior school.

The second issue was made a bit easier because of major redistricting that had occurred just a couple of years prior to the enactment of the choice law. The redistricting occurred as the district looked primarily to closing elementary schools in an effort to save expense. A secondary goal, though, was to balance out the ratio of minority students across the district, especially at the high schools. And by doing this, Wayne-Westland (inadvertently) set itself in a good political position to be able to add students from the east (where it would be predicted the majority of choice students would come from) and not cause racial imbalance at its schools. Furthermore, the only space available at the high school level was at the high school in the south end of town that had traditionally had a larger minority population, thus providing a possible opportunity to add students there with minimal community concern. "Even with redistricting, we still only had 1,400 students at one high school in the south. Our high school in the north had close to 2,000," the superintendent explained.

Thus, a plan that would draw students from outside school districts who would generate more revenue, with safeguards to dampen possible community concerns, was set. The plan was to accept as many students as would come. Wayne-Westland would open enrollment only at the high school in the south due to the enrollment differences between its two high schools. No student could come if he or she had more than two

suspensions in his or her resident school district. Elementary students would be spread across several schools to minimize any impact. And class size ratios were guaranteed to ease any fears that additional nonresident students would increase class sizes.

Little Opposition to the Plan

While the district's past history just outlined would indicate that there could be some opposition to such a recommendation, the superintendent stated that there actually was none. This was supported by board member responses to surveys, which indicated no community reaction to their position. This was also supported by the local newspaper beat reporter, who indicated, "I can't recall choice being an issue in the community or at school board meetings."

Thus, even though past history would indicate some public concern or controversy over such a policy decision (especially considering the old "wounds" from the Cherry Hill annexation in the 1980s), there was none on the board or in the community. Again, the superintendent indicated that the financial crisis the district had been through (along with some appropriate planning to mitigate potential concerns such as racial balance and class size) seemed to overcome old political issues.

Switching from "In" to "Out"

Since the original decision to opt in, the district has experienced changes. Its enrollment leveled off somewhat, its budget crisis subsided, and program stability occurred. Also, the superintendent retired, and the district asked the community for a major bond issue for building renovations and technology (which was approved).

And the district has since changed its policy on school choice and now opts out of the program. It is important to note that the students who chose to come to the Wayne-

Westland schools when enrollment was opened still have the right to stay there through graduation. Thus, the Wayne-Westland school district will not lose enrollment right away because of this decision. But still, the question is Why did the district decide to opt out of the choice program after opting in?

The Factors: Demographics, Cost, Discipline Problems, and an Improving Financial Picture

Discussion with the new superintendent helped identify several factors that led the district to change its policy. They include changing demographics as a result of the choice students who came, the fact that costly special education students were also entering the system through choice, rising community concern over allowing outside students in the district in light of a locally passed bond issue, and, lastly, discipline problems that cropped up with new choice students.

Another key factor that needs to be pointed out when looking at the change of policy is how the district's financial picture changed over the past few years. Again, when the district first opted into the choice program, it was in financial crisis, actually in deficit and working with the state on a plan to get out from under it. Since then, not only has the district come out of deficit, but it has built up a fund balance of more than $10 million, stabilizing its financial picture.

Yet the district is still in a somewhat precarious financial position. It remains one of the more poorly funded school districts in the region. And it still faces the threat of declining enrollment. The current superintendent explains that long-term projections show a possible deficit again in just a few years. So, while the district still faces financial problems, it is currently no longer in crisis mode as it was when it initially opted into choice.

It appears that several factors together led the district to change direction regarding choice.

First, the racial/ethnic balance that the district worked so hard to even out between the two high schools was starting to be impacted by the students who opted into choice at the high school. As mentioned earlier, the majority of students who came into the district under the choice plan were from Inkster and Detroit. The district reports that they were for the most part minority. This worked against the efforts completed in the redistricting, if by perception only.

"One of our major goals with the redistricting plan was to balance our minority population between the two high schools," explained the new superintendent. The high school that was opened for choice (as explained earlier, this was because it had the most space) was the school that prior to redistricting had the larger minority population. Students attending this school were also from a lower socioeconomic area.

"With the influx of choice students, the very sensitive balance we worked for was being impacted. The school was starting to again develop a reputation for being the minority high school in the system," he stated. This community perception was a concern for the administration, although this perception was an issue that the superintendent was being proactive in regards to, as it did not appear to be a major community issue as seen by board members and the local newspaper. It was not discussed at length at community meetings or board meetings.

Another concern was the additional services some of the choice students required. They qualified for special education services, which required the district to provide additional, expensive services . "Several of the students who came to us were in need of

support outside of the general education program," explained the superintendent. "Some qualified for special education services, while others were at risk of not making it in our schools without additional support (i.e., counseling, tutoring, social service)."

It was felt that the additional costs created by services some of these students needed were diminishing the financial benefit that was generated by additional students through the choice program. No specific cost data were developed to determine what the exact financial impact was. By 1999–2000, of the 139 students remaining from the choice program four full-time equivalent students (more by headcount) were actually receiving special education services.

Another factor that entered into the decision to opt out of choice was the need for community support for a bond issue that would fund much-needed building renovations and technology updates. Even though the decision was not made as a direct result of the bond issue or as a ploy to garner support during the millage campaign, it was a concern that the administration felt growing within the community. "We were being questioned by some members of our community why we were allowing students who did not live in our district to take advantage of our facilities while their parents weren't helping to pay for them," stated the superintendent. He acknowledged that the two items just identified were not a controversy with community members to the extent that people were pressuring board members (supported by lack of such acknowledgment in the board member surveys), speaking at board meetings (confirmed by the local newspaper reporter), or threatening exit. Rather it was a feeling the administration was beginning to sense through their different community interactions. Again, the district's response was a

proactive one based on its sense of what may come up. The concern identified helped in its eventual decision to opt back out of choice.

The last and key consideration related to problems the district was having with choice students who came to its schools. While it had a policy that students couldn't come into the system with more than two suspensions, it still had several behavioral problems with these students, particularly at the high school. "We had several problems, particularly at the high school, with choice students. Since they had to provide their own transportation, these students would be hanging around the school, sometimes for hours, waiting for their ride home. People in the community began to notice them and comment. The Cherry Hill annex issue [a possible community concern identified earlier] was coming up again. It was a concern." The superintendent added, "many of them really didn't fit in well with the main student body. They were becoming somewhat of a group within the school (becoming friends among themselves because of their after-school time together plus sharing a common trait of not living in the school neighborhood) and it became apparent that they were not mixing well with the rest of the student body." He also added, "We had vandalism occurring at the school relating to these students who were around after school."

The superintendent also explained that several of the students were not performing well in school. "We encountered several discipline problems with some of the choice kids," he said. "The administration at the high school were reporting that they were spending a disproportionate amount of time solving discipline problems surrounding some of these students." Board members also reported the same issues.

As mentioned earlier, additional resources were needed to meet some of the students' educational needs. The administration was beginning to wonder if it was worthwhile taking on these additional burdens. "These students were not going to help test scores, which is a perception we already face" (referring to already-deemed low test scores in the district that it has been working to improve). He shared that the curriculum department had been studying test scores and had come to the conclusion that students who had stayed with the school system (not transferred in or out) actually had done rather well on standardized tests. Those who had moved in and out of the system had not.

He also stated that not only did some of the choice students present discipline and resource problems, but some actually ended up dropping out of school. These types of problems were not as apparent at the elementary level, as the choice students were spread out over more schools and obviously wouldn't be together at the school as a group either during school or after school.

Thus, because of not just one factor, but several factors, the Wayne-Westland Community Schools determined to opt out of the choice program. With a more stable enrollment and financial picture, the potential additional revenue from choice students was not deemed worth the additional problems and community concerns choice students were bringing. This was recognized by board members and the superintendent alike.

Reactions to the Markets: A Comparison to Theory

Wayne-Westland's reaction to the new competitive environment is different from what reform theorists would predict. The school district did little to change or improve its programs and services or the way it did business. Below is a summary of the key indicators.

Marketing Strategies

The district did no special marketing for the program. "We ran a press release and put ads in the local newspapers," explained the superintendent. This fact was supported by the local newspaper reporter, as he could not recall any special efforts in promoting the program. With the district prepared to "take whatever we get" in regard to new students, 200 students came, helping out the district with added funding. With their declining enrollment over the years there was space to accommodate them. The superintendent explained that most of the students came from Detroit and Inkster. The district did not identify a need for a market retention plan. Surrounding districts were not opting into choice.

No Change in Programs/Services/Management or Perception Factors

No changes were made per se in programs or services offered by Wayne-Westland in light of the new competitive environment it found itself in. No changes in management or organizational structure were noted. While the district has always worked to improve perception factors such as test scores and safety issues, no new initiatives were noted specifically because of the new competitive environment. The superintendent stated, "We feel that we are offering the best program that we can for the money we have available to us."

Filling Seats to Generate Additional Revenue

The district did initially (as noted) use the new choice environment to its financial advantage by offering nonresident students the opportunity to attend its schools. This was done to generate revenue, and it was based on the existing program. The district did not

change its actions (i.e., improve programs, offer new services) to attract these students. It did this based on its current program offered.

Leadership a Key in the District's Decisions

The superintendents (both old and new) were without question the major players in this policy decision. In both instances, the superintendent brought forth the issue. He was critical in the planning process and brought his recommendations to the board. Board member surveys indicate no other key players playing any significant role in the policy's recommendation, or support or opposition upon its implementation. The superintendent's opinion on what was the best direction for the school system, in a very complex decision with many considerations, carried the eventual actions of the board.

Plymouth-Canton

As outlined in "Research Setting," the Plymouth-Canton school system is a rather affluent community that suffers from one of the lower funding levels among the districts in the area. Thus, it would appear that this key factor would put pressure on the Plymouth-Canton School District to participate in the choice program. Add to this the upcoming threat of a charter school opening up in its community that could potentially take students (and funding) from the district, and there would appear to be motivation to enter the choice program.

The funding level is key, as the Plymouth-Canton community profile is much like that of the affluent communities to the north and northeast. Parental expectations are correspondingly high. Yet the Plymouth-Canton funding level is much lower than those of the other communities. So while the Plymouth-Canton community has expectations for high service as is portrayed in most affluent communities, its funding level is far from

typical for such suburban schools. Thus, the district is not able to afford the same types of programs. Attracting new students (and corresponding revenues) is one of the very few ways it can generate additional dollars to compete with its affluent neighbors and meet parental expectations.

The threat of the opening of a charter school is very real, but it is tempered by the district's already-increasing enrollment and space-capacity limitations. Thus, while important for the reasons mentioned above, it is not as huge a factor as it might be in another district.

Community concerns regarding accepting nonresident students are a possibility as the district has gone through several bond issue proposals to provide new facilities for its growing community. Thus, the community may feel sentiment to keep their facilities for their own children. The minority composition of neighboring districts is not anticipated to be a concern as it is not too unlike that of Plymouth-Canton. The Board of Education and administration, while not specifically pro choice, seem to believe that such competition is a reality of the future educational landscape, and thus appear ready to accept this perceived reality.

It would appear the factors that will affect the district the most in its reaction are as follows: (1) the financial oddity the district finds itself in (affluent community/low funding); (2) the threat of a charter school opening in its community that could compete for existing students; (3) its capacity constraints, which would appear to limit how many students it could accept; and (4) possible community concerns that could arise surrounding the acceptance of nonresident students.

Opting Out of Choice while Considering Choice Options for the Future

The Plymouth-Canton School District's initial reaction to choice was not to opt into the state school choice program. Although it has taken this position, there are underlying currents pulling it toward choice concepts. This is explained through the investigation of the district's specific actions and why it has reacted as it has. It is important to note that the reactions observed have occurred under two administrations, as the superintendent in charge when the law passed has since retired. The study will look at Plymouth-Canton's reaction under the two leaders, starting with the recently retired superintendent.

Plymouth's Initial Reaction

The district's initial reaction was based on space. With the tremendous enrollment growth the district had experienced in the past five years, it was barely able to create enough space for its own resident students. And thus the idea of taking in nonresident students under the new choice model has not been feasible. "Choice is currently not an issue for us because we have no space," its prior superintendent stated. Additionally, with new buildings being built to accommodate the growth in the community, the issue of nonresident families benefiting from buildings residents paid for was a consideration. "Parents have had a philosophy that the buildings were built with Plymouth-Canton dollars and Plymouth-Canton residents should receive the benefit from them," the superintendent said.

Thus, under the previous superintendent the district resisted joining the choice program. But that was not due to lack of interest in the possible additional revenue as

much as it was due to simple logistics along with the underlying concern of how the community that was being asked to fund new facilities would react.

The Belief That Choice Will Come

The former superintendent said that the board at that time was "tacitly accepting" the idea of choice, moving away from its initial philosophy.

Much of this had to do with the economics of the new Proposal A school funding, which left Plymouth-Canton behind many districts in its per student funding, with no way to catch up. The superintendent mentioned that school districts are now in a situation in Michigan where they "must play the money game" because of the school-funding changes. It is his and the board's feeling that school systems are now forced to operate "much like a business" and must now "compete" to be able to maintain or improve their standard of programs under the new financing system.

He cites specifically the financial condition of the school district as the culprit for his explanation that it will need to enter the choice arena in future years. As noted earlier, Plymouth-Canton, a somewhat wealthy community by many measures, is one of the more poorly funded school systems in the region. The superintendent explained that the only way under the new funding system for Plymouth-Canton to generate any new revenue is to consider accepting nonresident students (and their state funding). "The only way out for us is choice," he stated.

Thus, it appears that the past Plymouth-Canton administration accepted what it felt was the reality of a new educational environment that rewards districts for attracting new students. Yet it did not take specific actions to compete.

It is interesting to note that the superintendent stated that the district had pretty much decided to accept up to 100 nonresident students when it opened its new high school to help fund the additional operating costs. And while there appeared to be an underlying philosophical distaste for the choice movement ("public schools will be left holding the bag after students have been siphoned off," explained the superintendent), the Plymouth-Canton School District seemed to recognize a new era in which it felt it must participate to succeed.

A New Administration and a New Approach to the Same Theme

The new administration spoke of overall themes similar to those spoken of by the previous administration, but with some clear differences in approach. For example, the new superintendent discussed the need to maintain and attract students now and in the future. She also spoke of the need to have the district's programs and services be marketable to its residents. Both of these points highlight a recognition, similar to that of the previous administration, that choice has impacted how the district will operate. Yet the two administrations' approaches to possibly recruiting nonresident students differed.

Choice, but Not Schools of Choice

When it came to the state's choice program, the new superintendent did not see where the district would be recommending opening up its schools to nonresidents. She was not aware of the previous administration's plans to accept nonresident students at the high school to help cover added expenditures.

One of the reasons Plymouth-Canton was not exploring accepting nonresident students was that, as the new superintendent came into the district, the major issue the district just finished resolving (with an interim superintendent) was where to build a third

high school it needed, and which the community had approved paying for. This was a significant controversy. The discussion revolved around the location of the new high school being closer or farther away from the campuses of the existing high schools, which are side by side. The community was split on the issue, with some wanting the new school farther away from the existing campuses, while others felt that avenue was too cost prohibitive. The Board of Education, by a 4-3 vote, finally decided to keep it closer. While the issue of nonresident students being accepted to help pay for the school was mentioned before, it was not raised this time.

This was a tough issue for the board, and as the superintendent said, "The timing was not appropriate to open up the high schools to nonresidents." So, while such an idea had been considered under the previous administration, it was lost in the actual planning of the high school. And the new superintendent reports that the idea of accepting nonresident students has not been a topic of discussion since she has been superintendent. Space constraints lead the reasons. Additionally, the district has not been in budget crisis and has added revenues to its budget with enrollment growth. Thus, the issue has not been on the "front burner" for the district, especially for a new superintendent who faces many new issues when taking the job. But while it has not been a priority for the new superintendent, the issues of retention and attraction of students are a part of her vision. She too seems to understand the new challenges a choice environment brings to public schools and has discussed how Plymouth-Canton may react to them.

Charter School Possibilities as a Way to Compete

"We need to think out of the box" in regard to schooling options available to meet community needs, the superintendent states. While she recognizes the new competitive

environment as did her predecessor, she is looking to address it in a much different way. She has not considered at this time recommending to the board accepting nonresident students, as the prior superintendent was contemplating. Rather, she is thinking about opening a charter school.

"This idea is in the infant stage as far as our thinking," she states. "But the idea is intriguing." She is not sure at this time what type of school it would be, but her purpose for such a school would be to provide a community service with the thought that it would be something marketable to Plymouth-Canton residents. The idea, then, is that students would have another reason to stay in the community and attend Plymouth-Canton schools (retention). "Maybe a professional development school, something that would be attractive to our residents," she mentions.

This idea was covered in a recent newspaper article, where both the superintendent and board president were quoted as saying they were considering the idea, primarily to attempt to keep students coming to the public schools, rather than other options. Board president Susan Davis stated, "If the district can provide what people take their kids out of the district for, why not have the district provide it instead?"(Plymouth-Canton: Charter District?, 2000) Thus, the new administration, while feeling pressure from the new environment as the previous administration had, took a different route in addressing it: they looked to charter school alternatives to retain and attract students rather than considering accepting nonresidents, as the previous administration considered. At the same time, the pressure was not strong enough for either administration to actually implement choice options yet. Possible community reaction combined with other priorities has outweighed the need for financial benefit to date.

A Comparison to Theory: Reaction to New Competitive Forces

Although one can see the beginnings of a new perspective for the Plymouth-Canton School District, it still has not reacted in many ways that theorists would have predicted. It will be interesting to see how it reacts in the future. Below are its reactions in key areas identified in the theoretical framework.

Marketing Strategies

As a result of the new era in public school finance (Proposal A, choice initiatives), Plymouth-Canton's previous administration did react by starting a new marketing plan. This plan could be considered a "retention" plan, as the administration sought to get the attention of its community. "We are meeting with marketing people," said the superintendent. The district feels it has several strengths that help sell its schools to parents (i.e., "our ACT test scores sell"). It also believes strongly in the programs it offers, but it believes that to be able to compete in the new environment, it will need to "repackage" what it offers, using marketing techniques to sell its program to parents. "And we see our competition doing this," the superintendent adds. "The group looking to start a charter school in our community is advertising in our community, pushing their back-to-basics program with Christian values and small class sizes." The superintendent's position was supported by the board surveys, as board members also recognized that marketing was an initiative the district was involved with, and that this was important because of the new competitive environment.

No Significant Changes in Program/Services or Creation of New Programs as Profit Centers

Despite discussions of a new charter school, the Plymouth-Canton School District did not react to competitive forces by changing its programs and services. While it was evident in the interviews and surveys that the board and administration were aware of the new environment, they did not feel a need to change the programs and services they were offering. Rather, as the superintendent stated, they looked to repackage and remarket the positive attributes they felt they had to retain and attract families to their district. Additionally, despite the district's financial dilemma described above, it did not search out programs that would attract nonresident students as a way to generate additional funds.

No Significant Changes in Management Structure, but Some Changes with Parental Involvement

Although the new competitive environment has been in place for several years, there appears to be no significant change in the district's organizational structure as a reaction to it. Yet what did occur was a change in thinking by the administrative leadership in regard to parental involvement, partly as a result of the new environment.

The Plymouth-Canton board and prior superintendent believe strongly that the new educational environment drives a need to give parents control of their schools. The previous superintendent explained that when he was superintendent in a very affluent New York school system, the system still lost a lot of students to private schools because, in his opinion, it placed great value in having control of the school. He felt parents put great value in being able to control things like the ability to set rules and control the headmaster. And he sees that as one of the key reasons for the choice movement in

America today. Thus, the Plymouth-Canton school system is reacting to choice initiatives by trying to allow parents to have more control in its schools. "We have set up several initiatives to make the community feel they have control of their schools," the superintendent said. This includes committees to look at sensitive issues such as boundaries and neighborhood setups, hiring employees, and district finances. "We want to treat the community as our customers," he said.

Romulus

As mentioned in the introduction, Romulus is a racially integrated community that has a high tax base but low socioeconomic status among its residents. Despite that low socioeconomic status, Romulus is one of the better funded school systems in the area. This can be attributed to the rich tax base created by industrial- and airport-related developments in the community.

Based on the main factors identified, it would appear that the Romulus School District would have little interest in accepting nonresident students. It is currently in fine financial condition. In fact, it is one of the better funded systems in the area. Enrollment is currently steady. And the administration and board are not in favor of choice initiatives. Moreover, its district would seem to be attractive (as in most cases) to families from perceived failing school systems nearby.

The only factor that would seem to swing Romulus toward the choice program is that surrounding school systems are opting into the program, thus taking students away. In 1999–2000, Romulus lost more than 40 students to surrounding districts, approximately 1 percent of its student population. With only a steady projected

enrollment trend, this could be a threat and it may feel pressure to compete to maintain its student base.

Romulus Decides to Opt Out of the State Choice Program; Racial Segregation an Important Factor

Romulus has opted out of the state Schools of Choice program for its K–12 grades. The Romulus Board of Education and administration believe that choice programs are harmful to public education, and specifically to Romulus and communities like it. One of the main reasons is that they believe choice will damage racially integrated communities like theirs.

"Our community, like many, is segregated racially within the community [in Romulus's case, by the northern and southern ends]," explained the superintendent. "While the community is not totally integrated, they [black and white community members] have learned to work and live together." He adds, "many one-on-one friendships have developed over the years." And he strongly believes that the schools have been the integral reason for this cooperation. "They have come together on one front, through the schools."

The superintendent believes that schools of choice will ruin integrated communities like theirs. "If white communities open their doors around us, we'll have white families opting for their schools. In order for us to maintain our enrollment we'll need to open our doors to nonresident students. More than likely, black students from surrounding districts will come. This will not only happen in our community, but communities like ours in suburban areas. Segregation will occur and racially integrated communities who work together, have developed friendships, and have learned to live together as I have described, will cease to exist. Schools will feed off each other, forced

to attract whatever students they can to maintain their programs. And what will result is schools more segregated than they are now and a loss of whatever integration that exists now."

He explained that the district already has seen what will occur in a similar situation. It involved the district's trying to enter its high school sports teams into a nearby athletic league. Romulus High School wanted to enter the league, but it was denied by a vote of the league schools. The Romulus administration thought it was because schools in the league felt there would be problems for their schools going to Romulus, and they didn't want to send their teams there. The school district felt their decision was unjust and sued to enter the league. The superintendent remarked about this case and its relationship to choice. "It'll be the same thing. Just as some schools in the league didn't want to come to racially integrated Romulus, neither will students under choice."

Thus, the leadership of the Romulus school system felt strongly that choice would put the school system's delicate racial/minority balance at risk. Based on past experiences that they had encountered, they saw their school system being impacted by choice, as they predicted "white flight" and more minorities coming in if they opened their doors to attempt to balance their enrollment. And they felt that the segregation that would come about would damage community relations and possibly have a negative impact on the future of their schools. They also saw these negative impacts for neighboring districts.

The superintendent described the next five years as key as it relates to enrollment both from a perspective of being racially balanced and in total numbers (i.e., would enrollment decline or not?). He said some building was occurring in the community, and

a key would be what becomes of the older established part of the community that has been entrenched since the 1800s. He also noted a recent change in school demographics, with its minority population going from 25 to 45 percent over the past five years. Again, these demographic changes underscore the importance of how choice could possibly change the racial/minority mix in the district.

A Neighboring Community Has a Similar Reaction

Interestingly enough, a nearby school district, Westwood, has similar concerns and has taken steps to sue the state over the new choice program. The basis of the suit is that the new choice policy is causing segregation. The district, which has 2,200 students, has seen at least 150 students leave since 1996, 98 percent of whom it claims are white, upsetting the district's delicate 50/50 balance of white and black students (Naylor 2000) "Suing is necessary because someone needs to revisit what's happened with these policies in place," said the superintendent of the district. "Right around the corner we also have the vouchers lurking. . . . It will eventually erode all public education" (Naylor 2000).

The district's attorney says the suit could result in the courts saying that federal civil rights laws take precedence over Michigan's law allowing students outside their districts. "Here we have two conflicting laws, and who should prevail? We're becoming a segregated district for no reason at all," he stated (Naylor 2000). This district was a party to the same lawsuit Romulus was involved in trying to get its sports teams into a suburban athletic league.

Pushing the Envelope: Using the New Choice Law in a Different Way

From a financial perspective, again, Romulus has been in solid shape. The enrollment trends mentioned in the paragraph above are the district's one concern. And with the limitations now under Proposal A, any revenue increases above the state allocation amounts (that have been averaging between 2 and 3 percent a year) are unlikely.

As mentioned, the Romulus administration has been rather creative and aggressive when it has come to financial issues in the past. And it looked at new choice options no differently. Thus, in an effort to raise additional operating dollars, Romulus did enter into the choice arena by starting a controversial choice school outside its boundaries. The program was not a K–12 program, but an alternative school. The district hired an outside company to manage the alternative school in the city of Detroit. The program would take in dropouts who were not in the public school system. "We entered into this to try something new, to try to get the Romulus schools some recognition for doing something innovative, and to generate additional revenues for our K–12 program," said the superintendent. Romulus was going to use the new choice law to whatever advantage it could. And its goal was to provide an education to students who were not getting one at that time.

But the plan came under criticism and brought a negative reaction from most educational fronts. "It soon was a political mess," the superintendent said. The district did not expect such a strong reaction. "The program included about 60 percent pregnant girls. Those were kids Detroit was not actively seeking an alternative for or looking to get back into their system." But the mere concept of starting a school within another district's boundaries caused great reaction. The fact that a for-profit company was running the

school did not help matters. In the minds of some, it was a clear example of a school system looking to advantage itself at the expense of others, more so than recruiting kids to come to its own community. "Everyone from the legislature to the local fire marshal tried to stop us," said the superintendent.

Problems occurred with the student count in the first year, and there was further controversy relating to collecting more revenue than Romulus was entitled to. The district was in the very unusual position of needing to support (or at least remain neutral on) conservative state initiatives as conservative politicians (specifically the governor's office and his appointed staff in the Department of Education) were now providing Romulus support on this pioneer choice program it had started. "We needed to be very careful with lobbying," stated the superintendent, "because of the state support we were looking for on the Detroit issue."

Choice Experiment Comes to an End

After the first year, not only was Romulus considering disbanding the program, but the state legislature put an end to it by passing legislation banning school districts from starting a school inside Detroit boundaries. The response to this experiment was intense. Yet the Romulus community did not respond negatively to the initiative, and the board never wavered. And now they are on to other things.

It is also clear that the administration was instrumental in the decision-making process. It received little community interest or input on the issue, and no direct direction from the board. And even though the initiative turned into quite a controversy, there was still little reaction in the community, and the board stood behind its administration.

A Comparison to Theory: Reaction to New Competitive Forces

While part of Romulus's reaction to new choice initiatives was consistent with traditional public school values, another part responded to the new opportunities the market allowed for. Minority balance was a significant issue for the district, one that choice opponents have warned about. Yet the district's innovative way of providing a new program for students who had dropped out, a program motivated in part by the opportunity for additional funds, is what choice supporters had hoped for to some extent. Thus, Romulus provides an interesting anecdote to analyze. Below are its reactions in key areas identified in the theoretical framework.

Marketing Strategies

Romulus took no new steps to market its traditional K–12 program to parents. The district was not looking to attract nonresidents. And it appears that it did not feel pressure to market its existing programs for either retention or attraction within its boundaries.

A New Program for the Creation of a Profit Center

As noted above, the school system did react to new markets by creating a unique school outside its boundaries. This new school was not created to improve or augment its existing programs. It was developed to provide additional revenues to the school system while trying to provide an unmet service. It was certainly "out-of-the-box" thinking, the type that staunch supporters of the free markets would envision. Yet after it occurred, the legislature put a stop to it. It made a determination that this was not what IT envisioned with a choice program. Its interpretation of what a competitive environment should bring was not this. Thus, not only are there constraints on the types of choice offered but also limitations on what outcomes it can bring.

No Significant Changes in Management Structure or Change in Perception Factors

Although the new competitive environment has been in place for several years, there appears to be no significant change in the district's organizational structure as a reaction to it. The Romulus administration felt no pressure to change its management structure or decision-making process or to improve perception factors as a result of the new environment, even though Romulus was losing some students to other districts. It was not a significant enough change, and the administration felt to some extent students were leaving due to a wish for segregation, an issue it could not solve.

Dearborn

As noted in the introduction, Dearborn would appear to have little incentive to participate in the state choice program. A well-funded school system, it is currently growing in enrollment, which brings in additional revenues and limits space availability. It borders the Detroit school system, and thus it would have to address concerns from parents and community members about letting students from Detroit's system into the Dearborn system. There appear to be no local dynamics that would initiate a choice movement relating to nonresident students. Only the possible threat of charter schools would seem to be a factor.

The District Opts Out, as Predicted

As far as the state choice plan is concerned, Dearborn has opted out of the program. It has really been a nonissue for Dearborn at this point, as its existing schools are overcrowded. "We have built three new elementary schools since 1991 and continue to grow at a rate of about 400 students per year," stated the superintendent. "As a result,

the board has spent very little time on the issue of accepting nonresident students as our existing buildings have no room to house them."

Even though charter schools have emerged in the area, that has not had an effect on Dearborn because of the continued growth and space constraints. Dearborn is getting along well without those students, and if they did come, the space problem would be exacerbated. The types of charters started include Arabic schools and a high-tech high school. The superintendent did note that this may be an issue in the future for the district.

Thus, with no space and a "somewhat stable" future budget projection, Dearborn has not seen school choice as a priority topic on its agenda. Parents are generally satisfied with their public schools, and with them full, they have not been concerned with students utilizing other possible options outside the public schools. And again, with a stable budget and no space, there has been little reason to draw students in. As a result, the superintendent explains that this has been a "nonissue" for the board. This is supported by board member surveys received.

One Possible Consideration: Helping to Fund a Special Program

The one possible consideration was the concept of a public Montessori school. "The school would be a prekindergarten through third grade school," explained the superintendent. "There would be no transportation provided," he added. He said that "people were coming to the board asking for this type of school. So the board had been giving this some consideration and also thought about opening the school up to nonresidents to help pay for it." This was also noted by one board member surveyed in response to the consideration for new/additional programs. Nothing has yet to materialize regarding the concept.

Rethinking Educational Services as a Result of New Choice Alternatives

While not looking to attract new students into its system, the Dearborn school district has made progressive efforts to rethink how it wanted to present the educational services it offers to the community by looking at marketing its local schools differently and offering more choices within its own organization. While this change was not a direct result of a need to compete with outside alternative schools, it was due in some respect to the emergence of the charter school law passed in Michigan. It was the superintendent's recommendation.

"It was a model I developed after attending a conference focusing on charter schools," said the superintendent. "It was a way for us to be proactive as it related to a new educational environment [charter schools] that was being introduced," he added. Thus, schools in the Dearborn system were allowed to change themselves into a "theme" school. This allowed them to restructure their school program around some type of specific theme.

Theme Schools

The superintendent described the process for a school to become a theme school. "Theme schools are building initiated. The program is set up in a competitive grant model. If schools would like to reform themselves into some type of theme school, they could prepare a proposal and apply to the central office. As part of applying to become a theme school, buildings were offered additional funds that they could utilize in their reform plan. The financial support would be guaranteed for at least three years." The superintendent explained that in most cases the financial support amounted to an additional teaching position.

The result has been the development of 12 different theme schools across the district. They include the following: the Creative Arts Theme School (elementary); the Science Theme School (elementary); the Service Learning Theme School (elementary); the Character Education Theme School (elementary); the Extended School Year Program (two elementary schools); the Greenfield Village and Henry Ford Museum Theme School (elementary); the Allied Health Technologies Academy (high school); the Academy of Engineering Technology (high school); and the School-to-Work Academy (alternative high school). Again, all these theme schools are set up in existing Dearborn public schools.

While the Dearborn Public Schools' current revised educational programs probably aren't all that much different than what was offered prior to the theme schools, it certainly appears that there are more choices for parents now. These schools are marketed as Schools of Choice options within the Dearborn Public Schools with well-done flyers and literature. Information on the schools is held in the communications office. The flyer states that "the Dearborn Public Schools are pleased to offer a variety of Theme schools as options for a student's education" (*Dearborn Schools Brochure* n.d.). Parents follow a "schools of choice" procedure if they want to participate.

While the marketing program is very well done and the program gives parents options to provide a different educational experience to their children, the superintendent notes that there has been "limited movement" from one's neighborhood school. The main reason he sites is because the schools are so full right now that there are very few open seats in any school for students to take advantage of.

A Comparison to Theory: Reaction to New Competitive Forces

Dearborn's reaction to participating in the state's choice program went pretty much as anticipated. The district felt little pressure to compete, and thus it was not a significant issue for it. With growing enrollment and a sound financial base, there was little need to participate. Yet Dearborn is reacting to the new competitive environment that it is now a part of. This was evident not only in the theme school concept but in board member surveys and the interview with the superintendent. Dearborn understands that the educational landscape is changing and recognizes that it may need to change also as it looks into the future.

Marketing Strategies and Changing Programs/Services to Meet Consumer Desires

It was clear that Dearborn took a proactive stance in marketing and customer service. By recreating theme schools within its district, it was acknowledging that the landscape of public schools had changed and that it was going to play by the new rules. While Dearborn did not feel a need to compete for nonresident students, it did feel a need to address the wants of its own community—a sort of market retention plan. The development of theme schools and the consideration of a Montessori school were both indications that it understood the need to keep its client base happy in order to succeed. It also recognized that it could not compete with new charters opening that centered around the Arab-American culture.

It is interesting to note that this has not resulted in significant changes to the district's programs. Some repackaging and some added service are noted. It is also interesting to note that again leadership played a significant role in specifically how the district reacted. While the board recognized a need to react to the new environment, it

was the superintendent who put forth the idea of the theme schools. Another leader may have taken different steps.

No Significant Changes in Management Structure or Change in Perception Factors

Although the new competitive environment has been in place for several years, there appears to be no significant change in the district's organizational structure as a reaction to it. The Dearborn administration felt no pressure to change its management structure or decision-making process or to improve perception factors as a result of the new environment

No Need to Create Profit Centers

Again, with a stable financial picture and growing enrollment, the idea of creating programs and accepting nonresident students was not a consideration. It is noted again, though, that the district did consider accepting nonresident students to help pay for a proposed Montessori school.

Inkster

As outlined earlier, Inkster Public Schools sits in an impoverished community. The school system has faced massive enrollment decline. Charter schools and new choice options have exacerbated the problem. Student performance has been low and financial crisis has loomed. With the severe financial pressure of enrollment loss, it would seem clear that opting into the choice program would be of possible financial benefit. While the board members have not historically been choice supporters, there appears to be little community or political influence that would sway the district otherwise.

Inkster Opts In with Little Benefit

Inkster Public Schools has always opted into the state choice program. Yet this has been of little benefit to it. In 1999–2000 the district had only 14 students come to it from outside its boundaries (Wayne County RESA 2000), generating very little additional income. At this time it appears that few students are interested in coming to this tiny school district. As noted in "Research Setting," Inkster ranks near or at the bottom of many categories in student achievement when compared with surrounding school districts. The perception of the community would be comparable to other core, inner-city areas. Despite rather new and attractive facilities for the elementary schools and board office, the district has little to offer as an incentive to bring in nonresident students. Thus, it has attracted few new students. This issue has not been widely discussed or debated by board members. They have not aggressively sought ways to attract nonresident students. They know they are losing students but have not been very proactive going after nonresident students, believing that they would not be able to attract many.

Big Loser in the Choice Game

Inkster has been a big loser in the choice game. It has attracted very few new students yet has lost many to surrounding districts and to charter schools. For instance, in 1999–2000 the district attracted 14 new students, while losing 113 to neighboring districts (primarily the Wayne-Westland district to the west). While exact numbers are not known, it is estimated by the superintendent and other sources (*Detroit Free Press*, *Education Week*) that the district has lost at least another 500 to one of the several charter schools in the area. This at a minimum represents 25 percent of its student body. And as a result, at least 25 percent of its funding has left with them. "I believe the negative press

we have received about issues such as our financial problems, poor student performance, and changing leadership [five superintendents in four years] caused many people to look to the new charter options," said the current superintendent. "There is a perception that the charter schools are private schools, and many left for this option, which they felt was better. The involved parents were not satisfied." And the board was not prepared to address the consequences. Board president George Williams stated that the system didn't move fast enough to improve and lure parents back. "We needed to respond earlier, but the board wasn't ready to step out on faith and take action," he said (Schnailberg, 1999, p.1).

Financial Chaos Sets In

The loss of enrollment put Inkster in financial chaos, as it could not keep up with the loss in revenue it was experiencing. Even before the extreme departures occurred, Inkster was experiencing demographic population decline and resulting enrollment loss. The district had more than 5,000 students in the 1970s, and as recently as 1990 it had approximately 2,000 students before plummeting in recent years. Thus, it had already been feeling the pinch from declining enrollment. But the choice options pushed it into a much quicker decline, one that was virtually impossible to respond to. The superintendent explained that a snowball effect that occurred. "After losing an average of 5 percent of our enrollment over five years, the rumors about our ability to maintain the district as an entity started. This made matters worse. Rumors about the district closing, all employees being laid off, leadership changes, etc. . . . caused people to panic. We then lost 15 percent of our enrollment in one year." She explained that this put the district in an

impossible financial position that it could not get out of. It was in budget deficit and needing to respond to the state regarding how it would rectify the situation.

Slow to Respond to the Financial Crisis

The financial problems hit home in the 1997–1998 school year. The district was predicting a balanced budget for the fiscal year but instead ended up with a $1.4 million deficit. This was not known until the independent financial audit was finalized in October 1998, well into the following fiscal year. Little was done at that time to address the issue. While the district began to notify the state of a required deficit reduction plan, the board implemented new programs, most notably a charter school themselves, hoping to offset the competition the district was feeling. Unfortunately, the district was not in a position financially to start this school, and it realized little if any recoupment of lost students. The administration was in transition, and it was not until January that the board started to take action to deal with the deficit.

Despite late efforts to reduce costs, the deficit grew to $1.9 million before the end of the 1998-99 year. The most difficult part in dealing with the deficit reduction plan was the continued loss of students. The rumors that led to the additional loss of students were unbearable. As the district worked on a deficit reduction plan for the state, it came to realize that it could not take care of the deficit at the same time that it was facing revenue loss from declining enrollment. "I told them it was impossible if we had both a deficit and continued declining enrollment," the superintendent said.

In the 1998–1999 year, the state started to come down on the district. The district could not come up with a plan to get itself out of its deficit, even after programs were reduced. The board was still not quite understanding the possible consequences. State

officials began to come to board meetings, and the officials finally said that they would not go out any further (timewise) on a deficit reduction plan. The state told the district to begin talking about alternatives (i.e., merger with other districts).

A Savior in the Wings

In the meantime, charter and for-profit schools began to speak with the state about the Inkster issue. State officials told them to go talk to Inkster. The main organization was the Edison Project. Headquartered in New York, the Edison Project is a for-profit educational company that has assisted schools throughout the country. It has provided such schools as charter schools and schools in partnership with public schools. The leader of the organization is Chris Whittle, a well-known name in educational circles as a pioneer of merging private interests with public schools.

As the Inkster superintendent began speaking with them, she also began talking to the board about the possibility of a third party coming in to manage the district. Part of the deal was that the third party would provide resources that Inkster would otherwise never have.

"At first, the board wanted nothing to do with this idea," stated the superintendent. This is an understandable response, as for-profit companies running schools with public tax dollars has always been a controversial concept. But the superintendent became convinced that this concept may be the only way out for the financially strapped school district. Edison's plan impressed her, so she continued to work on the board. Finally, after further presentations, the board agreed (by a 6-1 vote) to allow negotiations to begin with different companies to consider the concept of having them operate Inkster Public Schools.

After three proposals were made to the board by different organizations, the board made the historic move to allow the Edison Project to come in and manage Inkster's schools. Board president George Williams stated, "The board had few choices since state officials refused to give the district more time to rid itself of its deficit." He added, "The district didn't want to make massive cuts to balance the budget . . . thus the only other choice was to hope for a financial bailout from a benefactor or let the state take over the district" (Angel and Walsh-Sarnecki, 2000). The agreement includes the following key concepts:

- The Inkster Board of Education still has control over the district. It hires the management company and can fire them.
- Edison will clear Inkster's deficit, thus balancing its budget and getting it out from under state oversight.
- Edison will provide computers and training for all Inkster families from the third grade on.
- Edison will offer program improvement such as a longer school year, before-school and after-school programs, and a promise to improve test scores and graduation rates.

Thus, the Inkster school district had solved its immediate financial crisis. Edison also gave the district a game plan for the future. It included increasing enrollment through heavy marketing, better programs, and an investment in the district through technology and professional development.

A Comparison to Theory: Reaction to New Competitive Forces

The district, pushed to the edge of extinction (in large part because of new competitive forces), was bailed out by an outside private interest that infused capital into the system. The district's reaction to choice initiatives was controlled by the fact that it was so financially overwhelmed that it could do nothing from within its existing structure to resolve its problem. It could not change programs, improve its image, or significantly change its financial picture without outside help. And the district eventually went out to get it, with dissolution seemingly its only other alternative. And the district's reaction is one that will be watched with great anticipation from many fronts interested in the policy of choice.

Increase in Marketing Strategies

Without a question, the new management company is doing aggressive marketing. Well-done flyers, posters, and signs appear all over town promoting the "new" Inkster Public Schools. The goal is to bring back students lost to charter and nearby public schools. Inkster's marketing efforts prior to Edison's coming in were minimal, with no resources to allocate to the effort.

Changes in Programs/Services to Meet Consumer Desires

Again, Edison is infusing capital to increase programs and services. A longer school year, computers for every family, before-school and after-school programs, and a more rigorous curriculum are all in the plan. Interestingly, Edison has a very prescribed curriculum, with little flexibility. Its philosophy, bluntly, is that if parents don't like it, they can go elsewhere. This goes against the idea of meeting consumer wants. Although

in this case, the most significant need seen is improving the school system as a whole to restore confidence in the community.

The prior administration attempted to meet consumer desires by creating a charter school of its own. Its goal was to win back students who had left the system. Unfortunately, the program was expensive and could not be afforded at the time. It was not bringing back students. Enrollment declines continued and worsened. Thus, the administration's attempt failed. It attracted no new students and was forced to close down for financial reasons. An important point here is that consumer wishes cannot always be met within the existing system. Not all programs can be funded, thus always leaving some unmet need for someone to meet.

Change in Management/Organizational Structure

Inkster took a bold step in changing its management structure as a reaction to competitive forces, hiring an outside company to manage its public schools. It is clear, though, that Inkster did not choose that alternative solely because it believed that it needed to do so to compete with surrounding choice competitors, but because of the financial resources the outside firm could supply. The district's most significant motivation appeared to be securing funding to address its deficit, something the state had mandated it do within a limited period of time, not the other things that the outside company offered.

Yet it can be argued that the school district's economic decline was caused by the new competitive environment (losing students to charters and local choice districts), and whatever the reason, it was forced to change its schools for what is hoped to be the good of the community.

Improving Important Perception Factors

The new management firm has set out to change important perception factors in hopes of persuading students to come back to Inkster Public Schools. Included in this are test scores, which Edison has pledged to improve, based on the proven curriculum it brings to the district. Edison is also touting the investment it will make in the district with resources (i.e., computers) and infrastructure improvements. The goal is to show the community that there are changes in Inkster Public Schools, in the hope that community members will see these positive changes and come back to the schools. Previous administrations were not successful in doing this, possibly due to loss of credibility in the community. So even when new programs were started and advertised, it did little to improve the district's status among community members.

Redford Union

As outlined in "Research Setting," the Redford Union School District is facing declining student enrollment. Consequently, this has led to financial distress. Thus, Redford Union has faced budget reductions, in great part because of its enrollment decline.

As a result, accepting nonresident students is a real consideration for Redford Union. Obviously, accepting such students would generate revenues lost from enrollment decline. Important considerations for the school board are two potential community concerns. First, there is the possibility of community backlash from local taxpayers who recently passed a needed bond issue to improve school infrastructure and who will not appreciate nonresidents reaping the benefit of their funded improvements. Second, the community may be concerned about the perceived desirability of its school system if

students from nearby Detroit come to its schools. As noted, Redford Union borders the core, inner-city school system. It (Redford Union) would be an attractive alternative for parents in that school system.

In summary, Redford Union's financial stress caused by declining enrollment can be relieved by new revenues that come with new students. Yet the long-term impact of disenchanted current community members possibly leaving dampen this short-term financial solution.

After Years of Opting Out of Choice, Redford Union Decides to Accept Nonresident Students

For the first several years of the state school choice program, Redford Union opted out. Initial positions brought forth by the education community that identified concerns with choice programs (choice not equal for all students, segregation, costly special education students, community perceptions of nonresident students, etc.) were implicitly supported by the district. Additionally, the school district was seeking a bond issue, and while it has always had limited funding, it was not yet facing budget reductions. Board member surveys indicate that there was little discussion of the issue in the initial years. The superintendent would cover the issue annually with the board, outline why the administration recommended opting out, and the board would agree and move on. It was not a priority issue.

But a deteriorating financial condition eventually made choice a viable consideration. When enrollment started to decline, the board used this as an opportunity to reduce class size ratios. "Basically, we had our enrollment drop, but did not correspondingly reduce our teaching staff," stated a top administrator in the district. "We absorbed the staff." He explained that this led to approximately $1.5 million in staffing

that remained while the district's revenues began to decline. "This caused deficit spending," he stated. The district's fund balance went from $4 million to $400,000 within a few years. It was now facing a financial dilemma. It was not going to be able to balance its budget.

The Board Considers Choice

The board needed to address its dilemma. The administration brought forth consideration for accepting nonresident students. It prepared two deficit reduction plans. One included increasing class size and reducing transportation. The other included accepting nonresident students to fill seats lost by enrollment decline along with other minor budget cuts.

The Decision: Short-Term Financial Stability versus Possible Long-Term Ramifications

When the board began to consider accepting nonresident students, it became a big issue in the community. Public meetings were held and more than 400 community members showed up. The comments were somewhat split, with more in favor of accepting nonresident students than not. The issues for accepting nonresident students basically centered on not wanting to reduce student programs. Those who were against the issue focused more on the long-term impact that accepting nonresident students would have on the school system. "Some opposed nonresident students having the benefits of the new improvements from the bond issue while not having to pay for it," stated the central office administrator. "Others said the community would be hurt by accepting nonresident students, and that enrollments would not improve because families would move out of the school system if such a decision was made," he added. Remember that the Detroit Public Schools borders the eastern edge of the school system. As is often

the case, many rumors were initiated because of the publicity. The administrator explained that rumors such as that the district would be sending buses into Detroit to transport students to its schools were circulating. Building administrators were helpful in educating the community. The public meetings were also valuable educational tools, as many community members felt differently after hearing the facts. Finally the board voted.

The Board Votes in Favor of Choice

The board, by a split 4-3 vote, decided to opt into the state choice program. The issues for board members were the same as outlined by the community. In the end, four board members felt that making the program cuts was more detrimental to the district than the ramifications of accepting nonresident students. It certainly was a fragile issue, with opinions from both sides. Community perception of the types of students who would come to their district was a significant issue. The long-term impact of upsetting the student composition was a significant factor. In the end, the impact of program cuts was deemed more important by the slimmest of margins.

A Comparison to Theory: Reaction to New Competitive Forces

Redford Union reacted to the new competitive playing field by attempting to use it for its economic advantage. But the decision was a complicated one, as the value of the additional resources the district could derive came at a cost. The cost was possible community displeasure and thus potential loss of community support and also existing student base.

Increase in Marketing Strategies

It did not appear through the interviews, surveys, or observation that Redford Union changed marketing strategies as a result of new choice initiatives. The district did do low-key advertising for its choice program, including pamphlets, some targeted signs, and newspaper coverage. But most of its marketing strategies were in place prior to the change in the school law. The district has through its strategic planning process worked on ways to improve its image. It has also been very active working at improving its standardized test scores. But these efforts have not been as a direct result of choice. Redford Union has lost very few students to other districts through choice.

Change Programs/Services to Meet Consumer Desires

Redford Union has not made any program changes as a result of competitive pressure. The district's goal has been to maintain what it currently has, and it has not felt a need to change this. Again, Redford Union has little competition from surrounding districts for its current students. Yet it has entered into the choice fray by accepting other students. And its strategy has been to attract students based on its current programs and services, feeling no need to change to attract new students.

Fill Seats to Increase Revenues

Without question, the choice initiatives have been used by Redford Union to fill existing seats and generate additional revenues with little change to the educational program. The district used the system to bring in funding and address its budget concerns.

Change Management/Organizational Structure or Improve Perception Factors

The school system felt no pressure to either change the way it was organized or improve its key perception factors because of new choice initiatives. As mentioned, it was taking part in improvement strategies (test scores), but that was as part of its internal school improvement plans, not as a reaction to a new environment. Again, while under pressure to generate revenues because of declining enrollment, the district did not feel it was losing students to surrounding systems, nor did it see the lack of such change as a deterrent to its attracting new students. The district's enrollment loss was not blamed on a poor school system, but on natural demographics, over which it had no control. It is of interest to note that the administration remained intact with no changes, despite the controversy surrounding the choice recommendation.

Ferndale

The Ferndale School District has found itself in a predicament regarding the new choice program. Aggressive marketing efforts by neighboring school districts along with a demographic shift that resulted in more housing being occupied by residents without children caused declining enrollments and related financial difficulties. This weighs against strong community concern about allowing nonresident students to enter the district, especially as the school system borders the Detroit city limits. Thus, the need for resources to save programs and the need to retain students lured toward neighboring districts would promote a need to compete for students and opt into the state choice program. But local community dynamics could switch that thinking quickly.

The District Opts into Choice in the First Years

The Ferndale district opted into the choice program for the first few years of its inception. The main catalyst for the decision was intense competition from a district to the north that recruited heavily for new students. That school district, which has enjoyed a very high foundation grant, was nonetheless losing students and its high level of programming was therefore being threatened. It decided to enter into the choice program and devoted a lot of resources to attracting nonresident students. This included high-profile newspaper and radio advertisements. The district touted its strong programs, many of which were due to the district's high funding level. This action put a strain on many nearby school districts as they were losing students to that district. "It was an unfair playing field," stated a central office administrator from Ferndale. "Their foundation allowance per student was over $8,000, and ours was less than $7,000." Thus, surrounding smaller districts all opened their doors to nonresident students looking to make up the enrollment losses to their neighbors. It was done by those districts as a survival tactic.

The Law Changes and the Stakes Get Higher

Ferndale participated in the choice program with little fanfare until this past year. Several events took place that caused the issue to become a major one for the district.

First, the district's financial picture was worsening. The district was dipping into its fund equity to stay afloat. It was barely hanging onto programs and had lost its elementary foreign language program. It was clear that budget reductions were inevitable if something didn't change.

Second, a private corporation, the Edison Project, opened up a charter school in Ferndale. It was actually opened for disgruntled parents from a nearby district that had had its school closed. While Ferndale lost few students to this new school, it was another significant option in the community that could take students from the district.

Last and most significant, the state changed the law regarding which schools students could attend outside their boundaries. Specifically, the law as set in 1995 allowed students to attend any school that was *within their intermediate school district,* as long as that Board of Education allowed admittance to nonresident students. The change that has taken place now allows school districts to accept students in contiguous school districts even if those students live in school districts that are in different intermediate districts. This is significant for Ferndale as it resides in the Oakland County Intermediate School District. It is next to the Wayne County Intermediate District, which has the Detroit Public Schools within its boundaries. Detroit is contiguous with Ferndale. Thus, with the change in law, Detroit students could now attend Ferndale if allowed by the board to do so (Detroit and Ferndale are next to each other). This was not an option before the law change.

Because of the three reasons outlined above, the choice issue became a much more significant decision for the Ferndale board.

The Recommendation to Increase Nonresident Students and Allow Detroit Students to Come

Opting into the choice program in the first years was not a controversial issue for the district. It only opened up a limited number of K–8 seats and accepted approximately 60 to 80 students. Detroit was not an issue. "We would get some comments that we weren't getting A students with our choice program, but with the limited number of kids

we were accepting who were spread out through the system, it was not a major issue," stated a central office administrator. But that changed in the year 2000.

Based on budget concerns, the superintendent recommended that the board accept an unlimited number of choice students and that it allow Detroit students to attend their schools. Two public hearings were held to hear citizen feedback on the issue. The tone of the hearings was not supportive of the recommendations. The majority of those who spoke did not want choice for the school system. Much of the blame was directed toward Lansing for setting up a funding structure that was unequal between districts and caused districts to "steal" from each other.

Issues raised by the community not in support of the recommendation included the following: discomfort with nonresident families who did not have to pay for a recently passed bond issue that left district residents with a high tax rate; questions regarding who would pay and transport special education students; concerns about local kids losing opportunities in extracurricular activities because of nonresident students; concerns about recruiting; the concern that test scores would be hurt as incoming students would not have been in the aligned curriculum program in the school system; the concern that student racial balance may be upset; the concern that the district reputation may be tarnished if test scores and racial balance are upset, thus the enrollment may fall eventually as current residents will not want to stay; and, lastly, concerns that Ferndale would lose its community identity, which was mentioned as a staple in the community with shared services with other community groups.

The few who supported the recommendation noted the need to reach out to urban people and to not deny those who want a quality education, as well as pledging support for the additional resources the measure would bring.

The Superintendent Stays with the Recommendation but the Board Disagrees

Despite the majority of residents who spoke to the board in disapproval of the recommendation, and the story being covered extensively by the media, the superintendent stayed with her recommendation to accept as many students as possible from wherever they may come. The board did not agree. "The board members listened to the issues at the public meetings, and based on the tone of the hearings and what they felt they wished to do, they did not accept the superintendent's recommendation," stated the central office administrator. The board did agree to continue limited choice enrollments in K–8 grades, as it had done in previous years.

Interesting Reactions to Two Strong Forces

Two strong forces were pulling at the board members in their decision process. One was the need to save the district's programs by generating additional revenues. It was in intense competition with surrounding districts who had decided to aggressively go after nonresident students. On the other hand, the board had to consider strong perceived community displeasure with the concept of schools of choice and the possibility of residents leaving if the district allowed nonresidents in, particularly ones coming from lower socioeconomic backgrounds with perceived lower academic ability and behavior problems. It really was a dilemma. Board member surveys indicate a need to participate in choice as a measure to keep the district's enrollment level and offset students lost to other districts. The surveys highlight the problems associated with the state choice

program, where it pits district against district, and forces a district to take actions it does not necessarily agree with. Board members also noted in the survey the community concern with the practice of accepting nonresident students, and ultimately this point held the most weight in their decision.

Reactions to the Markets: A Comparison to Theory

Ferndale did little that some market theorists would expect as a reaction to the new choice environment, despite being in the middle of an intense, competitive war for students with surrounding districts. Below is a summary of the district's reactions compared with key theoretical frameworks.

Increase Marketing Strategies

Despite comments on board member surveys that the district needs to increase its marketing strategies, the district has done little at this stage to do so. It has been unwilling to spend K–12 resources on advertising campaigns as one other local district has, and it has been able to attract the number of nonresident students it has targeted without a need to do such advertising. It has yet to embark on any new strategies for retention other than what it has been doing.

Change Programs/Services to Compete

Ferndale has not been in a financial position to make improvements above its existing program. The district did recently add all-day kindergarten, and it acknowledges that this was in response to surrounding competition. No other program or service changes can be attributed to the new environment. Again, where Ferndale is located, the competition for students has been strong. Ferndale can compete with surrounding smaller

districts, but the district that has been most aggressive has significantly more money per student. Ferndale has not taken measures to look at or redo what it has been doing based on consumer need. It has not identified places to make such changes based on market demand.

Fill Seats to Increase Revenues

Ferndale has utilized the new choice system to add revenues to its budget by filling empty seats in classrooms. The district has done this on a limited basis, taking in 60 to 80 nonresident students in grades K–8. It has done this to offset lost revenues caused by students going to other school systems under choice. It has not changed programs or services in this model but has opened up seats based on its current program. Thus, Ferndale is selling its current educational program to others and is using it to generate additional revenues.

Change Management/Organizational Structure or Key Perception Factors

Both management and the board recognize the need to compete in this new environment and the need to continuously improve in order to survive. But they have not taken any specific actions to change the district's management or organizational structure as a result of the new choice environment. They also have done nothing specific to improve the perception of their school system as a result of the new environment. They have neither felt specific pressure nor seen a reason to change what they are doing or who they are as of yet. While they have not changed their organizational structure, it is significant to note that the superintendent did leave the school system after the controversy, certainly at least in part because of her disagreement with the board over the district's choice policy.

Findings and Observations

The outlined case studies provide interesting data describing how a select group of school districts have reacted to a schools of choice program. Obviously, the results are based on the specific rules set up in the research setting. And correspondingly, the data cannot be generalized. Yet the findings are interesting as they outline how a set of districts reacted to specific choice rules. Typical theories can be tested in the settings. And the detailed findings can provide insight regarding whether school systems did or did not react as one may expect, and they help provide insight into key aspects of choice policy that have been used in this setting. Below are interesting and useful observations derived from the data.

Race, Class, and Prestige Play a Significant Role in School District Reactions

The data establishes that race, social class, and reputation play a strong role in how school systems react to choice options. In the setting studied, students moved to nearby school systems that would be perceived to have a higher status than their resident school system. For example, urban Detroit students went to open suburban school systems in Redford, Westland, and Oak Park. Inkster students went to Westland Schools. Oak Park students went to Ferndale. Ferndale students went to Royal Oak.

There were no significant instances of students going from perceived higher-status schools to lower-status schools.

Given that this activity is typical of what prior research and common understanding predict, any school system opening its doors to nonresident students can expect to have students from lower socioeconomic communities come there. This also means they can expect minority students. And as the data showed, this was a significant

consideration for school systems considering opening their doors. They had to determine what risk they were taking based on the perception of what type of students they would attract and how their community would respond to this.

Short-Term Gain versus Possible Long-Term Loss: The Ferndale and Redford Union Examples

School boards looking to open their doors to nonresident students had to weigh the short-term monetary benefits that allowing additional students would bring against the possible long-term effect of changing the district's current racial/socioeconomic/student achievement balance. This was extremely apparent in the Redford Union and Ferndale instances.

Feelings were strong in both communities about the effect that allowing students from the inner city into their school systems would have. Concerns were that a change in the minority balance would upset people's perception of the school district. The same held true if low-achieving students came to their districts. Thus, the short-term financial benefit of additional students may be offset by long-term losses, as existing parents may move their children to other communities or new parents may decide not to move into their communities.

This was the decision both districts struggled with. And despite the same set of circumstances, the districts responded differently. Redford Union decided program cuts were a larger disadvantage than the possible long-term effects of allowing nonresident students into the district. Community education was key in that process. Ferndale arrived at the opposite conclusion, in part because of the district's belief about what would occur if choice were allowed from an economic standpoint, in part because of political pressure. It is important to note that both were in no-win situations: either make budget cuts now or

face possible long-term consequences of families leaving the community because of accepting new revenues from nonresident students.

Wayne-Westland faced the same decision. When its financial crisis was at its height, it opted to accept nonresident students. When this subsided (although it did not disappear), the district decided the additional funding was not worth the difficulties and the possible negative community reaction choice students presented it with.

School districts that could afford not to take this risk didn't. This included Romulus, Plymouth-Canton, and Dearborn.

A Detroit Story

The reaction of school systems in the metropolitan Detroit area to the specific concerns of race, class, and prestige appear to be stronger than in other areas of Michigan. The sheer size of the urban area in metropolitan Detroit, coupled by years of a strong city-suburb divide, seems to have made an impact. Consequently, schools in this region pay much closer attention to the types of nonresident students who may come to their schools, as shown in Ferndale, Romulus, Redford Union, and Wayne-Westland. Community perception as it relates to this issue has shown itself to be strong.

Competition Is Not Applicable to Everyone, as Schools Do Not Have to Compete

Under choice theory, as outlined by choice advocates, competition will spur school improvement, as only those that offer desired school services will survive. Yet, in the school choice program offered in Michigan, since not all schools are required to compete, not all school systems feel the impact of competition. This is especially true in metropolitan Detroit for the reasons mentioned earlier relating to race, class, and prestige. In this region, districts are wary of the impact accepting nonresident students will have on

student makeup in terms of race and class, and they consequently choose not to participate in the choice program. As noted earlier, this was especially true of the more affluent communities, as they sought to preserve their social capital. As a result, many school systems felt no pressure from competition as many of their neighbors, especially those perceived to be "better" school systems, did not threaten to take students from them.

Those districts that were not under immediate financial distress did not feel the need to enter the state choice program as readily as those that were. In the cases studied, districts that did not face budget cuts (Plymouth-Canton, Dearborn, Romulus) all opted out of the state choice program for their K–12 program. Of course the data do not paint such a clear picture. All three districts noted contemplated some type of choice options (Plymouth-Canton and Dearborn considered funding new programs with nonresident students, and Romulus looked at the alternative school in Detroit). And two of the districts that opted in did not opt in unconditionally (Ferndale opted in only for a limited amount and Wayne-Westland eventually opted out). Yet it was apparent that the schools that were under budget duress felt more pressure to increase their revenues than did the others. Even in Wayne-Westland's case, it opted out later only after the district was out of deficit, and its superintendent admitted that the district may have to consider choice again in the future if its budget worsened.

Thus, under the state's program, not all districts in this sample felt compelled to participate. This means that students do not have an opportunity to really choose among any schools they wish, but only those that wish to participate—in this case, those schools

feeling a financial pinch. In the cases studied, these school districts would be deemed the less desirable ones (as measured by socioeconomics and student achievement).

Competition Leads to Maximizing Revenues Rather Than Improvement; Little Innovation or Change Is Noted

School Systems Do React to Economic Pressure

It is clear from the findings that school systems do react to economic pressure. In the cases of Ferndale, Redford Union, Wayne-Westland, and Inkster (the districts in the study that were faced with budget deficits), they all considered the choice program as a way to generate additional revenues. And all districts surveyed acknowledged a new competitive environment. Thus, while reactions varied by district based on a variety of factors, all the districts understood that they could be financially affected by new choice programs.

Those That Participated Looked to Take Advantage of the System by Maximizing Their Enrollments, Not Improving Their Programs

Chubb and Moe outline in the theoretical framework that schools will react to the competitive pressures of choice by being more responsive to consumers. This should in turn improve programs and services schools offer. Fege counters that market competition doesn't always lead to an improved product. Producers have a motive of making money, and there is a market for many products. This doesn't always mean the highest quality. This is the key paradox of the study from a theoretical viewpoint.

In most of the cases studied, districts looked to maximize their revenues, and this did not mean improving their programs. Wayne-Westland and Redford Union opened their doors to nonresident students with little fanfare, and they were willing to take in

students based on their existing program offerings. They anticipated that students would come and that they would fill open seats in classrooms, generating additional revenues but little if any additional cost. Again, this was done because of their financial need. Inkster did the same originally, although it could be argued that that district reacted to charter school competition by attempting on its own to draw in students. This failed as the district did not draw in (or bring back) enough students to make the program financially feasible. Ferndale basically did the same as the others, although it did add an all-day kindergarten program in response to choice competition.

Other Observations

The New School Finance Model in Michigan (Proposal A) Has Significant Impact for School Districts: Enrollment Is the Key to School Budgeting

The passage of a new funding system in Michigan has had a significant impact on school systems as the number of students each school system has is the most significant factor in determining its funding. Since schools are funded on a per student basis, enrollment is key to a school district's financial well-being in this setting. Thus, those districts that are experiencing declining enrollment feel the most pressure. Wayne-Westland, Ferndale, Redford Union, and Inkster all are facing declining enrollment. All are affected monetarily by this. And all are looking for ways to offset this trend. In some cases the decline is caused by demographics rather than by parents leaving because of dissatisfaction with the schools.

In the Ferndale case study, the district to the north, a very wealthy school system, was experiencing a loss in its enrollment. It looked to offset that loss by opening its doors to nonresidents. This set off a wave of reaction as surrounding districts such as Ferndale

then looked at how they were going to offset their enrollment loss to the district to the north. Many accepted students from outside their boundaries. Of course, this took students from other districts, and the reaction continued. Thus, it is not only the poor districts that feel this pressure. Those losing enrollment seem to be the most affected.

In the Inkster case, the district was spinning from enrollment loss to surrounding districts and charter schools, putting itself in a position where the loss was so dramatic it could not react within its own means.

Interestingly enough, Plymouth-Canton, a district that has suffered with a very low funding level from the state, especially when compared with the socioeconomic status of its community, did not look to choice to bolster its revenue base. Not only did enrollment increases make space an issue, but budgetwise the district was not in the position of having to make budget reductions with new students (and revenues) coming in every year. Relative to its own budget limitations, it was in an increasing revenue mode, and thus pressure for additional revenues was not as great as compared with those experiencing declining enrollment, even though the districts noted with declining enrollment had a higher funding allowance than Plymouth-Canton.

This is a key point. Districts seem to react based on their existing budget and program position. This explains why the district to the north of Ferndale, while well funded, is aggressively looking for students, while Plymouth-Canton, at a much lower funding level, sees that as a lower priority. Everything appears relative to where one is at a particular time when analyzing school budgets. Enrollment decline takes a district off its current track in its budget planning. The revenue loss from enrollment decline cannot be recouped with corresponding budget reductions that relate to fewer students. For

example, if Wayne-Westland lost one student from each of its schools, it would lose approximately $250,000 in revenues. Yet it would not be able to reduce any of its costs. Budget cuts, no matter what district one is from, are controversial and difficult. Thus, pressure comes from declining enrollment and corresponding revenue loss, as it causes program reductions, a far greater political issue than looking for funds to add programs.

Choice Sets an Environment in Which Schools Are Stealing from Each Other

It was noted that not only did school systems basically use choice to address declining enrollment issues, but that actually caused a domino effect in some areas. It set off a series of actions where schools opened their doors to nonresident students to fill seats opened by students who chose to go to another school system. This was evident in the Ferndale case, where all schools in a close vicinity opened their doors and schools picked students from each other. No real program changes took place. Basically there was a shift of student body. Students tended to go north and west, to more affluent communities.

Choice to Fund New Initiatives

In a couple of instances, districts looked to choice models to fund new initiatives they wished to start. Plymouth-Canton considered accepting nonresident students into its new high school to help fund the cost of the additional facility. Dearborn considered allowing nonresidents to attend a new Montessori school it was contemplating, again as a way to help fund the new program. Although neither of these ideas came to fruition, the idea of nonresident students funding a program that otherwise cannot be funded has been considered by those in the study. This idea of drawing students from other districts to

provide additional programs for your own was taken to the creative limits by the Romulus district.

The Romulus Paradox

Romulus stretched the limits of the perceived good and bad in choice by its far-reaching program for students in Detroit. One clear goal was to generate additional revenues within the rules of the new state choice program. And it provided an unmet need as students who were going to the program would not otherwise be in school. Thus, the paradox: On one hand, Romulus was taking advantage of the state program for a purpose for which it supposedly was not developed. Yet on the other hand, it was meeting an unmet need in a community whose public schools were not perceived to be performing, something choice supporters would both hope and expect to occur in an open market.

The state had a difficult policy decision to make regarding the program. On one hand, choice had worked as Freidman would envision. An unmet need was addressed through the markets. Yet it was not what people had anticipated. The legislature eventually decided to outlaw the program. No longer can districts start up schools within Detroit's boundaries. Clearly choice (at least in this environment) and the market theory for schools have their limitations as schools still exist in a political environment.

The Inkster Story: Choice Forces Change, but What Is the Impact for Other Urban Schools?

In Inkster we saw what choice supporters would envision to some extent—that is, poorly performing districts will not survive. Other options will become available to students, and if the existing system doesn't react, it will lose all of its schools. Inkster lost students in droves to other schooling options (charter schools and other school districts

that accepted nonresident students). Eventually it could not make changes quick enough and faced an insurmountable financial debt. Thus, one way or another the district's existence was going to change. And it did. An outside private management firm came in and provided the capital needed to keep Inkster Public Schools alive. The outside company (Edison) will now manage the system, and it promises improved student achievement, more resources, and a recapture of lost students. While it remains to be seen how successful the company will be, without question the future is brighter for Inkster than it has been for some time. And some would say this change would never have taken place without parental choice forcing it to occur. Choice forced the issue by allowing funding to leave the district with students for other options.

But what would have occurred if a private enterprise had not come and bailed out Inkster financially? Only time will tell if corporations like Edison can stay financially viable with the infusion of capital they are putting into these types of schools. If they cannot, these kinds of situations will be left for the state to sort out. Mergers with other districts, one option, can be a very volatile situation for both districts involved.

Looking to larger poor-performing districts such as the Detroit Public Schools, such options have yet to cause a similar crisis. While that district has suffered from declining enrollment, it has not been driven to the brink of extinction, as Inkster has. The key question is What if future declining enrollment forces the Detroit Public Schools (or another large urban school system) into an unfixable financial crisis? It is doubtful that an Edison-type corporation has the resources or will to come into that type of situation and rescue them, as occurred with Inkster. Thus, while some students who have utilized choice options have found a perceived better schooling option, the students left behind

still have to be educated. This raises a key policy question: Is it good policy to provide opportunities for a few, when it is at the expense of many?

Leadership

It is clear that leadership had an impact on the decision-making process. In both Wayne-Westland and Plymouth-Canton, different superintendents made different recommendations. While clearly all the leaders understood the new environment, they reacted to it differently. In Dearborn, the theme school concept was the superintendent's recommendation, and such a proposal was not evident in other districts. In Romulus, it is abundantly clear the superintendent took a different approach to the new law, unlike any other, with the Detroit school concept. And certainly in Redford and Ferndale, both leaders took their districts down the path of accepting Detroit students, against high odds. And true to the theme of differences in local dynamics, one superintendent survived the choice issue, while the other did not.

Conclusion

Choice policy implemented in the research setting elicited both predictable and unpredictable responses from the establishment. Clearly the unique circumstances of each district studied affected how it responded. Thus, while competition and the introduction of markets in this case had an impact on all schools, the response of school districts varied based on a variety of individual, unique factors. We see a little bit of all theorized reactions in this limited example. Improvements along with feared segregation, student skimming, and winners and losers can be seen.

And so the significant question from a policy standpoint that this study sought to address remains. What impact does choice policy have as it relates to reforming schools? In this study, a case can be made both pro and con, but the researcher would argue that systemwide reform has not occurred.

The Evidence Does Not Indicate that Schoolwide Reform Came with Choice

Certain educational improvements can be identified as a result of the new choice policy. The Romulus school in Detroit was an attempt to address an unmet need. And some districts, such as Dearborn and Plymouth-Canton, were contemplating new ideas as a result of the new choice environment. Ferndale did add a kindergarten program. So examples of educational improvements did begin to take place. The most significant example took place in the most severe instance. Clearly Inkster Public Schools, a system deemed to be failing by many, has new life as it was forced into coming up with a solution to its loss of enrollment to other schooling options. The markets pushed that district into a better situation. But can this circumstance be repeated? This is the crux of the argument. Can school systems that lose financial resources as a result of being a choice "loser" react to improve their services for those left behind? And if not, will the market create enough new options so that all students will be provided an improved education? There is no evidence in the case studies reviewed that the Inkster solution will be replicated.

The most significant activity noted in the case studies is school systems feeding off each other, not changing programs and services per se, but looking for ways to attract nonresident students to their district at minimal cost to increase their revenues above additional expenditures. As they lose students, they look to replace. Those who are not in

need of additional students at this time show little interest. They do not participate. By and large, schools do not look markedly different than they did prior to interdistrict choice.

Policy Implications

It still may be too early to judge what reform may occur as a result of choice policy in this setting. Yet based on the case studies, the researcher would offer the following for policymakers to consider:

- If school systems are allowed to opt out of choice, systemwide impact will be difficult to achieve. Many school systems in densely populated, racially integrated areas have no choice threat, as no surrounding districts that could pose such a threat are participating. Some districts opt out because they are growing, some because they choose not to participate for a variety of reasons, including the student composition of neighboring communities. Thus, schooling options for parents are rather limited, and those options are often the lower-achieving schools. If the goal is to provide more options, this can be attained. If the goal is systemwide school reform, this will not occur. There is no guarantee that systemwide reform will occur if all school systems are required to participate, and the data shared in this study indicate that schools will not actually improve even when forced to compete. They often will find ways to maximize existing programs as a revenue source. But for those who still believe that schools will respond to competition by improving, this will not occur if some are not forced to compete.

- If school systems are allowed to limit the number of students they will accept, this also limits options for parents. Again, the effect is minimized competition and correspondingly little reaction. Currently, many school systems in the state participate, but on a very limited scale. Actual true options, especially in the case study districts, are limited.
- If choice is expanded, segregation issues will need to be addressed. Enough evidence exists in the case studies to suggest that this was a real issue in racially integrated areas.
- A policy that supports a benefit for a few students, while the majority of students who remain in their neighborhood schools are left with fewer resources, must be addressed. Even if systemwide reform does not occur, the argument that parents should have a choice of where their child goes to school may still be a policy that remains. If this is still a policy pursuit, then a way to ensure that enrollment "losers" are not harmed must be enacted. The current funding scheme does not account for enrollment loss, as was described earlier. If this is not corrected, there will be winners and losers, and some students will benefit at the expense of others. This should not be acceptable.

Further study is needed to help determine whether this particular type of choice has lasting benefits above its social cost. Without a question, all districts in the study feel the effects of the new environment and believe that in the future they will need to react to it. Yet at this time changes in school organization and instructional delivery are somewhat minimal, except in extreme instances.

EXHIBIT 1. INTERVIEW QUESTIONNAIRE

Below are questions that will be used to interview key players in the case study settings. The questions are used as a basis for discussion, and the interview may cover some, all, or additional items based on the data gathered in the interview process and the interaction between the interviewer and interviewee.

- Has your school district opted in or out of the state choice program?
- Has the board changed its position on opting in or out?
- Do you anticipate any change in the future?
- Describe your school district, including general community characteristics and other important characteristics?
- What is the short-term and long-term financial picture for your school district?
- Is your enrollment increasing or decreasing? What are future enrollment projections?
- Has the racial/ethnic makeup of your community had any influence on your policy?
- Has the racial/ethnic makeup of surrounding communities had any influence on your policy?
- How about other important perception factors, such as test scores, safety, program offerings, athletics, etc.
- Has there been influential community leaders or special interest groups that have been a factor in your decision?
- Has there been influential school groups (i.e., union, administrators) that have been a factor in your decision?

- Was this a major issue for your board?
- Was this a major issue in your community?
- Have you felt pressure to compete in the new choice environment in Michigan?
- In what ways have you competed (i.e., improve programs and services, fill open seats)?
- Have charter schools had an impact on your choice policy?
- Have you increased your marketing efforts in response to the new choice environment?
- Who were the major players in drafting your choice policy?
- Other thoughts and observations.

EXHIBIT 2. BOARD MEMBER SURVEY

School District Name: _____ (Please fill in)

1. Has your district opted in or out of Section 105 School Choice (accepting students from other school districts)?

- ☐ In
- ☐ Out

2. Was this a major issue for your board (lots of discussion)?

- ☐ Yes
- ☐ No

3. Was there much reaction from the community on this issue?

- ☐ Hardly any
- ☐ Some
- ☐ A lot

4. Who were the major players or who had influence on the final decision (superintendent, board member(s), union(s), community member)? (You may check more than one.)

- ☐ Superintendent
- ☐ Board member(s)
- ☐ Community member(s)
- ☐ Other: Describe

5. Was the board split on the issue?

- ☐ Yes
- ☐ No

If yes, briefly describe the dynamics.

_____

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6. Has the position of surrounding districts opting into choice or local charters affected your district (taken students from you)?

☐ Yes

☐ No

Has it influenced your decision on choice?

☐ Yes

☐ No

7. Has your district always opted in this manner (or has it changed)?

☐ Yes

☐ No-have changed

8. If it has changed, why?

_____

_____

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_____

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_____

9. Do you believe new choice and/or charter school options have caused your district to think or act differently?

☐ Yes

☐ No

If yes, in what ways?

☐ We must improve what we do.

☐ We must be aware of what programs other districts, schools are offering.

☐ We must offer more programs.

☐ We must market ourselves better.

☐ Other—Describe:

10. Do you believe that these options will cause you to react any differently in the future?

☐ Yes

☐ No

11. Has your district reacted to this new competition by changing or adding any new or different programs?

☐ Yes

☐ No

12. Has your district bumped up its marketing efforts directly as a result of choice competition?

☐ Yes

☐ No

13. If you have opted in, what were the major reasons for doing so?

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What were arguments against it (if any)?

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14. If you opted out, what were the major reasons for doing so?

_____

What were arguments against it (if any)?

15. Would you add anything else that would help me understand the district, its dynamics, and how it relates to choice (i.e., major issues you faced when making your decision)?

16. (Optional) Would you be willing to talk to me by phone or e-mail regarding the above?

If yes:

Name (optional):

Phone # (optional):

E-mail (optional):

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