

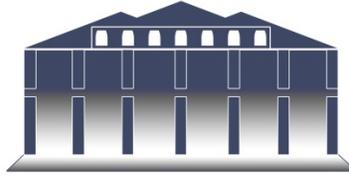
# **Overview of School Choice Options Provided by Colorado's Douglas County School District**



**Final Report to the Joint Legislative  
Program Evaluation Oversight Committee**

**Report Number 2013-05**

**October 23, 2013**



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**NORTH CAROLINA GENERAL ASSEMBLY**  
Legislative Services Office

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*John W. Turcotte*  
Director

October 23, 2013

Senator Fletcher L. Hartsell, Jr., Co-Chair, Joint Legislative Program Evaluation Oversight Committee  
Representative Julia Howard, Co-Chair, Joint Legislative Program Evaluation Oversight Committee

North Carolina General Assembly  
Legislative Building  
16 West Jones Street  
Raleigh, NC 27601

Honorable Co-Chairs:

The 2013–15 Program Evaluation Division work plan directed the division to examine Colorado's Douglas County School District to determine whether its approach to school choice can inform education policy-making in North Carolina.

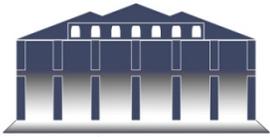
I am pleased to report that the Douglas County School District cooperated with us fully and was at all times courteous to our evaluators during the evaluation.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Turcotte".

John W. Turcotte  
Director





# PROGRAM EVALUATION DIVISION

## NORTH CAROLINA GENERAL ASSEMBLY

October 2013

Report No. 2013-05

# Overview of School Choice Options Provided by Colorado's Douglas County School District

## Summary

The Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to examine Colorado's Douglas County School District (DCSD) to determine whether its approach to school choice can inform state education policy-making in North Carolina. The evaluation team traveled to Colorado in June 2013 to examine DCSD's implementation of school choice programs.

**The Douglas County School District provides families or children with a variety of educational opportunities.** Options for families include neighborhood schools, magnet schools, charter schools, online education, and home education. Other educational choices include intra- and inter-district open enrollment, as well as home education enrichment services. Additionally, DCSD designed and initiated a publicly funded scholarship program in 2011 to send some children to private schools.

**The Program Evaluation Division identified strategies that DCSD has taken to improve and expand school choice in Douglas County.** These strategies include

- expanding home education enrichment services;
- developing and implementing the Choice Scholarship Program;
- incorporating charter schools in school facility planning; and
- enhancing partnerships with locally authorized charter schools.

Colorado education law enabled DCSD's expansion of school choice options.

**The General Assembly should consider several factors in determining whether to authorize local school administrative units to implement aspects of the DCSD approach to school choice.** These factors include

- lack of student performance data measuring the effects of DCSD's home education enrichment services and the Choice Scholarship Program;
- differences between demographics for North Carolina and Douglas County, Colorado; and
- differences between education law, which would require changes to North Carolina education law to enable implementation of the DCSD approach to school choice.

If the General Assembly wants to further investigate implementation of the DCSD approach, it should consider establishing a statewide community engagement and strategic planning process and direct education policy-makers and community stakeholders to examine whether DCSD's approach provides opportunities for improving and expanding school choice options in North Carolina.

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## Purpose and Scope

As directed by the Joint Legislative Program Evaluation Oversight Committee, this report examines Colorado's Douglas County School District (DCSD) to determine whether its approach to school choice can inform state education policy-making in North Carolina.

This report examines DCSD's approach to expanding school choice in Douglas County, Colorado. Four research questions guided this inquiry:

1. How does Colorado's Douglas County School District foster school choice for families?
2. How does Colorado education law enable Douglas County to expand school choices for families?
3. How does North Carolina education law affecting school choice differ from Colorado education law?
4. What does North Carolina need to consider in determining whether to implement aspects of the Douglas County approach to school choice?

The evaluation team traveled to Colorado in June 2013 to examine DCSD's implementation of school choice programs. During the DCSD site visit, the evaluation team interviewed

- current and former members of the DCSD school board;
- the DCSD superintendent, chief academic officer, system performance officer, and chief financial officer;
- DCSD administrators responsible for charter schools, home education, and the Choice Scholarship Program;
- DCSD charter school principals;
- private school administrators from schools participating in the Choice Scholarship Program;
- Douglas County parents and community members; and
- a professor from the University of Colorado in Colorado Springs with expertise in educational leadership and school reform.

The Program Evaluation Division also collected and analyzed data from several sources, including

- the Colorado Constitution and laws for public education and school finance;
- DCSD fiscal and operational data;
- DCSD documents, including its strategic plan, School Choice Task Force reports, school board minutes, and documents describing charter school partnerships, home education partnerships, and the Choice Scholarship Program;
- demographic information for North Carolina, Colorado, and Douglas County;
- the North Carolina Constitution and laws for public education, charter schools, scholarship programs, and school finance;
- North Carolina data describing where students attend school; and
- information describing how other states approach school choice.

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## Background

**School choice occurs when families decide where their children will be educated.** In many parts of the country, parents have a limited number of educational options for their children, typically including public schools, private schools, and home education. Families can choose from their local educational options subject to financial considerations that may limit their decision. Other factors that limit educational choices include transportation and state or local policies.

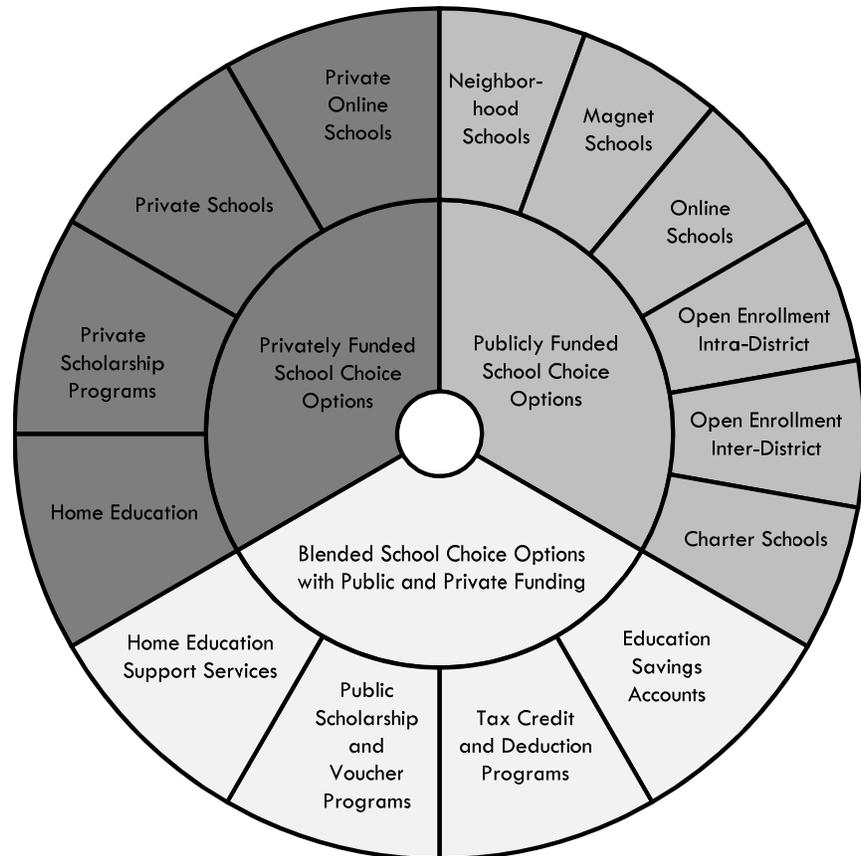
School choice options can be categorized by how they are financed. Public schools are primarily funded with federal, state, and local tax revenues, and do not charge tuition to families. Private schools are funded by non-governmental entities and tuition paid by families. The costs of home education are generally borne by families, including purchasing a curriculum as well as opportunity costs associated with the time required for parents to teach their children. The school choice debate is affected by financial barriers that limit choices, as some families do not have financial resources to live in neighborhoods with high performing public schools, pay private school tuition, or homeschool their children. These financial considerations have influenced the development of school choice options that blend public and private funding to reimburse families for some of the educational costs associated with sending their children to private schools or choosing home education.

Exhibit 1 groups school choice options by how they are financed.

- **Publicly funded school choices.** These options include neighborhood schools, charter schools, online schools, and magnet schools. Publicly funded school choice also can be facilitated through intra- and inter-district open enrollment.
- **Privately funded school choices.** These options include attending private schools run by non-government agencies, privately funded scholarship programs, and home education.
- **Blended school choices with public and private funding.** These options include publicly funded scholarships, educational savings accounts, and tax credit programs to reimburse parents for some of the educational costs they incur to send their children to private school. Blended school choice can also provide financial support and services for home education students.

## Exhibit 1

### School Choice Options by Funding Sources



Source: Program Evaluation Division based on review of school choice literature.

**The Program Evaluation Division identified 13 different school choice options financed with public, private, or blended funding.** In Exhibit 2, the Program Evaluation Division has compiled information from nine different sources describing each school choice option and showing the availability of each option within the United States and the District of Columbia. Neighborhood schools operated by public school districts, private schools, and home education are available throughout the United States. Charter schools are authorized in 42 states and the District of Columbia, and magnet schools are available in 35 states and the District of Columbia. Full-time multi-district online schools and/or state virtual schools are offered in 41 states. The availability of the other school choice options ranges from 29 states offering home education support services to one state authorizing an education savings account program.

**Seven of the school choice options shown in Exhibit 2 are available in North Carolina.** Public school choices for North Carolina families include neighborhood schools, charter schools, magnet schools, and a state virtual school that provides online classes for students. North Carolina also has state laws that authorize private schools and home education. During the 2013 Session, the General Assembly authorized two publicly funded scholarship programs assisting eligible North Carolina students in grades K–12 in attending private schools where tuition is charged. North Carolina does not authorize inter- and intra-district open enrollment, tax credit scholarship programs, individual tax credit/deduction programs, educational savings accounts, or home education support services.

## Exhibit 2: Availability of School Choice Options in the United States and District of Columbia

School Choice Options	Description of School Choice Options	List of States	Map of States
Neighborhood Schools	Neighborhood schools are operated by public school districts that assign students to schools according to their physical home address.	All States and the District of Columbia	
Private Schools	Private or independent schools are sponsored and supported by non-government entities and tuition is paid by families.	All States and the District of Columbia	
Home Education	Homeschooling takes place in the home with parents or guardians serving as the primary educators.	All States and the District of Columbia	
Charter Schools	Charter schools are semi-autonomous public schools, founded by educators, parents, community groups, or private organizations operating under a written contract with a state, school district, or other entity.	AK, AZ, AR, CA, CO, CT, DC, DE, FL, GA, HI, ID, IL, IN, IA, KS, LA, ME, MD, MA, MI, MN, MS, MO, NV, NH, NJ, NM, NY, <b>NC</b> , OH, OK, OR, PA, RI, SC, TN, TX, UT, VA, WA, WI, and WY	
Online Schools	Online schools offer teacher-led education over the Internet, with the teacher and student separated geographically, using a web-based educational delivery system.	AL, AZ, AR, CO, CT, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, MA, MI, MN, MS, MO, MT, NV, NH, NM, <b>NC</b> , ND, OH, OK, OR, PA, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, and WY have publicly funded full-time multi-district online schools and/or state virtual schools.	
Magnet Schools	Magnet schools are public schools providing specialized curricula and instructional approaches to attract students from a variety of neighborhoods in a metropolitan area.	AL, AK, AZ, AR, CA, CO, CT, DC, DE, FL, GA, ID, IL, IN, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, NV, NJ, NM, NY, <b>NC</b> , PA, SC, TN, TX, UT, VA, and WI	
Home Education Support Services	Home education support services are services that public school districts provide to homeschool families, including part-time access to classes, extracurricular activities, or sports.	AK, AZ, AR, CO, FL, ID, IA, ME, MA, MI, MN, NE, NV, NH, NM, ND, OH, OR, PA, SC, SD, RI, TN, UT, VA, VT, WA, WI, and WY	

## Exhibit 2 (Continued): Availability of School Choice Options in the United States and District of Columbia

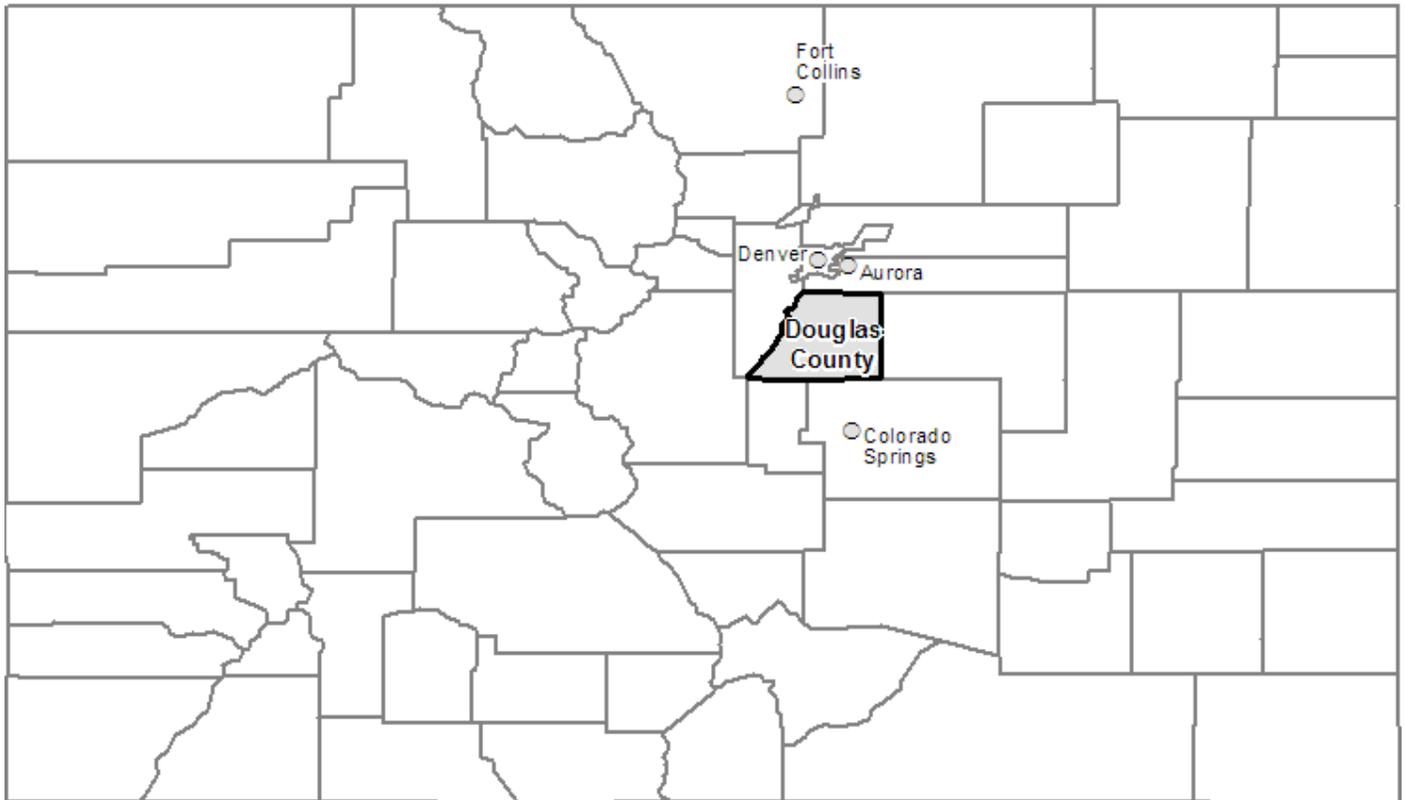
School Choice Options	Description of School Choice Options	Number of States	Map of States
Intra-District Open Enrollment	Intra-district open enrollment allows parents to send their children to a public school of their choice within their public school district.	AK, AZ, AR, CA, CO, DE, GA, FL, ID, IL, IN, KY, LA, ME, MA, MI, NE, NM, OH, SD, TX, UT, and WA	
Inter-District Open Enrollment	Inter-district open enrollment allows parents to send their children to a public school of their choice in surrounding public school districts.	AZ, AR, CT, CO, DE, GA, ID, IA, KY, LA, MN, MO, MT, NE, NM, ND, SD, UT, VT, WA, and WI	
Scholarship and Voucher Programs	Scholarship and voucher programs involve payments made by private or governmental entities to parents, or institutions on behalf of parents, to be used for children's educational expenses.	CO (Douglas County), DC, FL, GA, IN, LA (2), ME, MS (2), <b>NC (2)</b> , OH (4), OK, UT, VT, and WI (2) have publicly funded scholarship and/or voucher programs.  Note: Numbers in parentheses represent number of programs in that state.	
Tax Credit Scholarship Programs	Tax credit scholarship programs reduce corporate or individual tax liability for donations to scholarship-granting organizations distributing scholarships to eligible students.	AL, AZ (3), FL, GA, IN, IA, LA, NH, OK, PA (2), RI, SC, and VA	
Individual Tax Credit/Deduction Programs	A tax credit provides direct reductions to individual tax liability based on personal educational expenses incurred for household dependents.  A tax deduction provides a reduction in taxable income made prior to the calculation of tax liability based on personal educational expenses incurred for household dependents.	AL, IL, IN, IA, LA, and MN	
Education Savings Accounts Programs	Education savings accounts are private savings accounts managed by parents, who receive deposits from the government to be used for children's educational expenses.	AZ	

Sources: Program Evaluation Division based on information from the Education Commission on the States, National Center for the Study of Privatization in Education, Friedman Foundation for Educational Choice, Home School Legal Defense Association, Council of Chief State School Officers, Evergreen Education Group, National Alliance for Public Charter Schools, National Center for Education Statistics, and U.S. Department of Education.

**One Colorado community that has received regional and national media coverage for expanding school choice options is Douglas County.** The Douglas County School District (DCSD) provides parents with the opportunity to choose from neighborhood schools, magnet schools, charter schools, online education, and home education. Other educational choices include intra- and inter-district open enrollment and home education enrichment services. DCSD designed and began to implement a pilot scholarship program in 2011 to send some children to private schools using public funds. However, as of October 2013 this program has not been implemented due to litigation (see page 14).

**Douglas County is located between Denver and Colorado Springs in the state of Colorado.** Exhibit 3 displays a map showing Douglas County's location in Colorado. Douglas County was the fastest growing county in the United States between 1990 and 2000. During that period, the population almost tripled. Currently, the county is the eighth most populated county in the state, with 285,465 residents.

### Exhibit 3: Douglas County, Colorado is Located Between Denver and Colorado Springs



Source: Program Evaluation Division.

**From a demographic perspective, Douglas County is atypical compared to other counties in Colorado.** Douglas County residents are less racially diverse, have higher incomes, and are better educated than Colorado as a whole. In addition, Douglas County residents are more likely to own their own homes and less likely to be living in poverty than other residents of Colorado. Exhibit 4 compares Douglas County's demographic characteristics to Colorado's as a whole.

## Exhibit 4

Characteristics of Colorado  
and Douglas County

Characteristics	Colorado	Douglas County
Total population	5,029,196	285,465
White	86.8%	91.8%
Black	4.9%	1.4%
Asian	3.6%	3.9%
Other	4.7%	2.9%
Estimated population speaking language other than English	16.7%	9%
Estimated population age 25+ with educational attainment of bachelor's degree or higher	36.3%	54.6%
Median household income	\$58,629	\$101,193
Estimated population with income below poverty level	12.5%	3.5%
Rate of home ownership	66.8%	81.8%

Sources: Program Evaluation Division based on information from the 2010 U.S. Census, American Community Survey 2007–11 and Current Population Survey, Annual Social and Economic Supplement for 2012.

Some of the distinguishing differences may contribute to high academic performance. Research has found that parents' educational attainment, parents' employment status, the language spoken in the home, and other non-school characteristics affect student performance.

**DCSD's motivations for expanding school choice options are different from communities that are concerned about failing public schools or low-income students with limited access to educational choices.** As the third-largest school district in Colorado, DCSD has 83 schools serving more than 63,000 students. The performance of DCSD's students consistently exceeds Colorado state averages in every grade and subject tested on the Colorado Student Assessment Program. In 2012, 87% of the district's students graduated on time, compared with 75% for the state overall. DCSD's choice to adopt a universal scholarship program with no income limitations may have been influenced by Douglas County's low poverty rate. The DCSD Board of Education committed to expanding school choices because it believes parents should have more input and control over their children's education.

**Discussion about expanding school choice options continues to be a part of the public education policy dialogue.** State legislatures must authorize specific school choice programs and direct public funding to support school choice programs and other educational initiatives. This report examines DCSD's efforts to expand school choice to determine whether its approach to school choice can inform state education policy-making in North Carolina.

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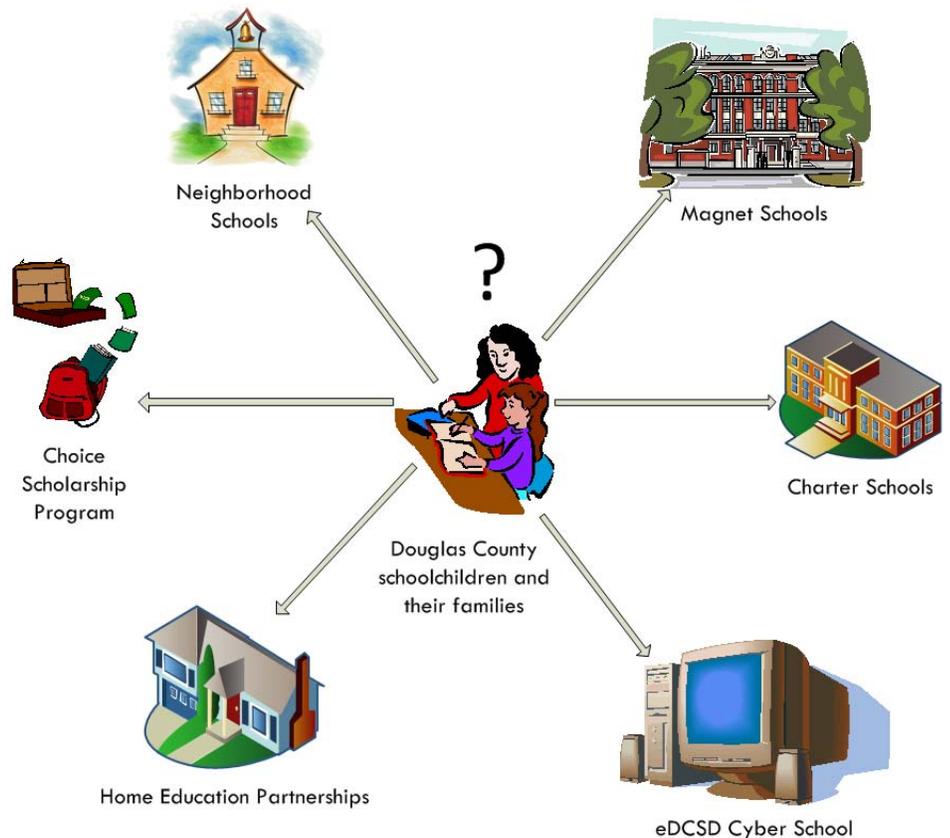
# Questions and Answers

## 1. How does Colorado’s Douglas County School District foster school choice for families?

**Colorado’s Douglas County School District (DCSD) has supported school choice for Douglas County families for many years, and strategic planning in 2011 accelerated further expansion.** DCSD’s support for school choice began in 1993 when it became the first school district in Colorado to authorize a charter school following the Colorado legislature’s enactment of the Charter School Act. Throughout the 1990s and 2000s, the DCSD Board of Education continued to authorize charter schools in Douglas County and provided local funding for its charter schools beyond what was required by Colorado law. DCSD opened the Renaissance Expeditionary Learning Outward Bound School as a magnet school in 2001 to offer students an opportunity to learn through adventure education. In 2008, the district established eDCSD, also known as the Colorado Cyber School, to provide online K–12 education for any student residing in Colorado. DCSD added more school choices in 2011 by expanding services to home education families and initiating a pilot scholarship program for students attending private schools. Exhibit 5 displays the multiple learning opportunities or pathways DCSD has made available to Douglas County students.

### Exhibit 5

#### Douglas County School District Offers Students Multiple Learning Opportunities



Source: Program Evaluation Division based on information from Douglas County School District.

**In 2009, Douglas County residents elected a DCSD Board of Education majority that supported further expansion of school choice for families.** The DCSD Board of Education initiated the School Choice Task Force in 2010 to study school choice options for Douglas County and charged it to consider, "An educational system that maximizes choice, improves quality through competition, promotes excellence, and recognizes that the interests of students, parents, and teachers are paramount." Membership of the DCSD School Choice Task Force included parents, teachers, DCSD administrators, and community leaders.

Task force members studied improvements to existing school choice options within Douglas County as well as opportunities to expand school choice through contract schools, home education partnerships, and scholarships to pay educational costs at nonpublic schools. The DCSD Board of Education accepted the School Choice Task Force's recommendations in December 2010 and directed the superintendent to develop program proposals for board consideration. The DCSD Board of Education approved a strategic plan in March 2011, with the plan's *Blueprint for Choice* describing how DCSD embraces school choice by offering a variety of educational options for students.

**Based on the *Blueprint for Choice*, DCSD implemented strategies to improve and expand school choice in Douglas County.** This report focused on five strategies:

- improvements to the DCSD website,
- revisions to the open enrollment process,
- inclusion of charter schools in school facility planning,
- expansion of home education services, and
- initiation and design of the Choice Scholarship Pilot Program.

**Improvements to the DCSD website.** The DCSD website provides information about all publicly funded schools and other educational opportunities available to Douglas County students. The School Choice Task Force found DCSD schools offered a wide selection of educational choices, but information was not readily available to the Douglas County community. The Task Force recommended DCSD actively market all available education choices. The *Blueprint for Choice's* goal of improving information and communication directed the district to redesign its website and develop tools to provide information about all educational opportunities. The Program Evaluation Division observed that DCSD's website currently furnishes information about neighborhood schools, charter schools, online or cyber schools, and home education programs. Each school or program has a web page

- identifying the school's assignment area and location;
- supplying factual information about the school, such as its mission statement, learning environment, calendar, grade levels, enrollment, availability of pre-school and before/after-school programs, and contact information;
- summarizing its performance data from Colorado's performance framework for schools; and
- providing a link to the school website.

Douglas County parents and students can search the site to identify schools by zip code, city, grade levels, programs, and course offerings. The DCSD website has other web pages describing home education options for families and additional information about the district's charter schools. DCSD intends to make further improvements to the online school selector tool and develop a school choice catalog.

**Revisions to the open enrollment process.** DCSD's revised open enrollment policy clarified procedures for resident and nonresident students applying to enroll at any school in the district. In March 2011, the DCSD Board of Education adopted a revised open enrollment policy based on recommendations from the School Choice Task Force. The Task Force's open enrollment committee found the policy was confusing, not family-friendly, and did not convey the board's support for school choice. The revised policy stated the DCSD Board of Education endorses the concept of school choice for all students who may wish to attend a school or participate in a program located in an area other than that of their assigned school. Based on the subcommittee's recommendations, the revised policy

- lengthened the initial open enrollment window to give families more time to apply;
- set a notification date by which parents must be informed that their child was selected or denied open enrollment placement;
- defined grounds for denial of any open enrollment application;
- created an appeals process for open enrollment denials;
- established a second-round application window that operates on a "first come, first served basis" if space is available at a DCSD school; and
- enabled new students who move into the district during the school year to apply for open enrollment.

The policy also stipulated that parents are responsible for transporting students enrolled in a school located in an area other than their assigned school. The DCSD web page for parents includes a link to a page describing the open enrollment process, with a link to the current open enrollment application form. During Fiscal Year 2012–13, over 6,000 DCSD students open-enrolled in a DCSD school other than their neighborhood school. During that period, DCSD enrolled 925 students from surrounding school districts.

**Inclusion of charter schools in school facility planning.** Charter schools in Colorado are responsible for providing school facilities; however, school districts can allow charter schools to use district facilities and can provide charter schools financial assistance, in the form of district capital funds, general obligation bonds,<sup>1</sup> or certificates of participation,<sup>2</sup> for building facilities. The School Choice Task Force's committee on charter schools

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<sup>1</sup> In North Carolina, general obligation bonds are bonds used for funding permanent public capital improvements such as buildings and roads. Bond repayment is made from tax levies, and voter approval is required by the NC Constitution.

<sup>2</sup> In North Carolina, certificates of participation are certificates or other instruments delivered by a special corporation evidencing the assignment of proportionate and undivided interests in the rights to receive payments to be made by the State pursuant to one or more financing contracts. Voter approval is not required for the issuance of certificates of participation.

noted that DCSD charter schools had received a one-time \$2.6 million allocation from capital funds authorized via election, and one charter school had purchased a facility with DCSD certificates of participation. However, charter school facilities had not been included in general obligation bonds for DCSD schools. The 2011 strategic plan recommended that DCSD include charter schools in the district's long-range planning process and investigate the feasibility of bond financing for charter facilities and DCSD ownership of charter facilities. After incorporating charter schools into DCSD's long-range planning process, the district partnered with a charter school authorized in 2012 to build its facility in a high-growth community on property earmarked for an elementary school. In exchange for DCSD financing through certificates of participation, the charter school agreed to give enrollment priority to children from the surrounding attendance area. This agreement benefited both DCSD and the charter school. DCSD benefited because the district gained school capacity in a high-growth area but did not have to use district resources to build a new school. The charter school benefited from receiving a lower interest rate on its school construction loan, resulting in a significant reduction in overall construction costs.

**Expansion of home education services.** The School Choice Task Force found DCSD provided limited services for families choosing home-based education and provided no funding for home education services unless a student was dually enrolled. The *Blueprint for Choice* directed DCSD to develop and implement a home education program to provide services for home education families. DCSD now offers five options for students receiving home-based education to access public education resources. These options are

- full-time home education,
- dual enrollment,
- *Cloverleaf Home Education*,
- full-time online and enrichment programs, and
- part-time online courses.

*Cloverleaf Home Education* is an innovative option offering home education enrichment. Parents remain the primary instructional provider, with the program supplementing their efforts. Families also borrow educational materials each school year at no cost and may select from several curriculum choices for each subject area. DCSD purchases nonreligious home education curriculum and software such as the Rosetta Stone language learning program. Exhibit 6 provides additional information about *Cloverleaf Home Education* and summarizes information for the other four options by describing the services furnished by DCSD, the requirements for families providing home-based education, the number of students participating, and whether or not the option receives state funding.

## Exhibit 6: Home Education Services Provided by Douglas County School District

Home Education Options	Douglas County School District Services	Family Requirements	Number of Students	State Funding
<b>Full-time home education</b>	<ul style="list-style-type: none"> <li>• Registration services</li> <li>• Annual testing services</li> <li>• Student participation in sports and extracurricular activities</li> </ul>	<ul style="list-style-type: none"> <li>• Provide written notification of home-based educational program</li> <li>• Provide 172 days of instruction averaging four hours per day</li> <li>• Pay fees for sports and extracurricular activities</li> </ul>	<b>426</b>	<b>No</b>
<b>Dual enrollment</b>	<ul style="list-style-type: none"> <li>• 180 hours in-school instruction or a two-course minimum</li> <li>• Registration services</li> <li>• Annual testing services</li> <li>• Student participation in sports and extracurricular activities</li> </ul>	<ul style="list-style-type: none"> <li>• Provide written notification of home-based educational program</li> <li>• Complete application to neighborhood school</li> <li>• Ensure student attends school and receives 90 minutes of instruction each school day</li> <li>• Pay fees for sports and extracurricular activities</li> <li>• Responsible for remaining hours of home instruction</li> </ul>	<b>73</b>	<b>✓</b>
<b>Cloverleaf Home Education</b>	<ul style="list-style-type: none"> <li>• 180 hours of enrichment courses for grades K–8 offered three days per week at two locations</li> <li>• Instruction in language arts, history, science, art, health, and physical education</li> <li>• Reusable and nonreligious educational materials including Rosetta Stone language software</li> <li>• Registration services</li> <li>• Annual testing services</li> </ul>	<ul style="list-style-type: none"> <li>• Provide written notification of home-based educational program</li> <li>• Ensure student attends program 90 hours each semester</li> <li>• Return educational materials each year</li> <li>• Responsible for remaining hours of home instruction</li> </ul>	<b>209</b>	<b>✓</b>
<b>Full-time online and enrichment programs</b>	<ul style="list-style-type: none"> <li>• 180 hours of enrichment courses</li> <li>• 180 hours through Colorado Cyber School with certified teacher for instruction and evaluation</li> <li>• Calendar and bell schedule for enrichment courses</li> <li>• State testing services</li> </ul>	<ul style="list-style-type: none"> <li>• Student must be a full-time DCSD student</li> <li>• Ensure student participates in online curriculum in home environment</li> <li>• Ensure student meets district attendance requirements and takes statewide and district assessments</li> </ul>	<b>n/a</b>	<b>✓</b>
<b>Part-time online courses</b>	<ul style="list-style-type: none"> <li>• No district involvement</li> <li>• Tuition pays Colorado Cyber School for curriculum and certified teacher for instruction and evaluation</li> </ul>	<ul style="list-style-type: none"> <li>• Provide 172 days of instruction averaging four hours per day</li> <li>• Purchase online courses a la carte from Colorado Cyber School (\$350 per course)</li> </ul>	<b>n/a</b>	<b>No</b>

Source: Program Evaluation Division based on information from Douglas County School District.

**Initiation of the Choice Scholarship Program.** The School Choice Task Force also formulated the initial proposal for DCSD's Choice Scholarship Program. After the DCSD Board of Education accepted the School Choice Task Force report, the DCSD superintendent met with officials from the Colorado Department of Education to determine the feasibility of using state funding to finance a district scholarship program. Colorado Department of Education officials supported financing the scholarship program with state funds but stipulated that students enrolled in the program must take Colorado statewide assessments. DCSD also agreed to restrict program participation to students who were residents of Douglas County and had attended a DCSD school for at least one year.

When the DCSD Board of Education approved its strategic plan in March 2011, its *Blueprint for Choice* directed DCSD to implement a student scholarship program. At the same meeting, the DCSD Board of Education endorsed a policy for the Choice Scholarship Program and directed the DCSD superintendent to implement the program for the 2011–12 school year. The DCSD Board policy described the purposes of the Choice Scholarship Program as being “to provide greater educational choice for students and parents to meet individualized student needs, improve educational performance through competition, and obtain a high return on investment of DCSD educational spending.”

The DCSD Board decided to limit participation to 500 students until the program's effects on student performance and financial viability could be measured, reviewed, and reported. The policy defined private school partners as being religious or nonreligious nonpublic schools that met the conditions of eligibility for the Choice Scholarship Program. DCSD began implementing the Choice Scholarship Program based on the board's policy direction. An application process for students was initiated, and 494 students were enrolled in the program for the 2011–12 school year. The district recruited private schools in Douglas County and the surrounding area to participate in the scholarship program; 23 religious or nonreligious schools met the program's conditions for eligibility and began accepting Choice Scholarship students that met their particular admissions criteria. The DCSD Board of Education also authorized a Choice Scholarship charter school to ease administration of the program.

In August 2011, implementation of the Choice Scholarship Program was halted by litigation. The Colorado District Court held that the program violated state school finance law and several provisions of the Colorado Constitution concerning aid or support to religion and religious organizations. The Colorado Court of Appeals ruled that the Choice Scholarship Program was constitutional in February 2013, and the case has since been appealed to the Colorado Supreme Court.<sup>3</sup> The DCSD Board of Education remains committed to the Choice Scholarship Program, and it plans to reinstate the program if the Colorado Supreme Court upholds the decision that the program is constitutional.

**Choice Scholarship Program design.** Although the Choice Scholarship Program has not been fully implemented, DCSD's program design offers a

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<sup>3</sup> Taxpayers for Pub. Ed. v. Douglas Cty. Sch. Dist., 2013 WL 79140 (Colo. App.).

framework for program administration and accountability for publicly funded scholarship programs. The Choice Scholarship Program policy as ratified by the DCSD Board of Education directed the program's administration, funding, student eligibility, and participation, as well as the conditions of eligibility for private school partners. DCSD used a novel interpretation of Colorado charter school law to establish a district-authorized charter school to administer the Choice Scholarship Program. This innovation offered an efficient administrative structure for the district to maintain a connection to scholarship students, continue gauging district accountability for student outcomes, control use of funding, and report student performance. The district's policy for the Choice Scholarship Program is located in the Appendix.

Exhibit 7 summarizes program design elements for the Choice Scholarship Program.

**In addition to new school choice options initiated in 2011, DCSD has a strong partnership with district charter schools.** Since 1993, the DCSD Board of Education has authorized 14 charter schools.<sup>4</sup> During Fiscal Year 2012–13, over 9,700 Douglas County students were enrolled at 11 charter schools. A twelfth charter school opened for the 2013–14 school year, and the DCSD Board of Education authorized two additional charter schools during 2013 with expected openings in 2014 and 2015. The DCSD's Board of Education policy for charter schools states, "The Douglas County School District RE-1 embraces school choice by offering a wide variety of pathways to learning. Matching students to a learning model or school creates a level of synergy not found in historic educational models, creating the highest probability of success for all. One option in our district is charter schools." The policy authorizes the superintendent to create procedures and regulations concerning the charter application process and supervision of charter schools. DCSD's Charter School Department provides support and services for district charter schools so schools can focus on their students and school community. Examples of DCSD's partnership with charter schools include

- local authorization of charter schools,
- local funding for charter schools, and
- service delivery choices for charter schools.

**Local authorization of charter schools.** Under Colorado state law, a charter school is a public school of the school district that approves its charter. Because the DCSD Board of Education authorizes charter schools located in Douglas County, all charter schools are district schools. DCSD is committed to implementing quality authorization based on national best practices, including maintaining high standards for all charter schools, upholding school autonomy, and protecting student and public interests.

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<sup>4</sup> The number of authorized charter schools excludes a charter school authorized in 1995 that converted to a DCSD magnet school in 2001 and a second location for a charter school that has two campuses.

## Exhibit 7: Design Elements of the Choice Scholarship Program

Program Design Element	Description
<b>DCSD Administration</b>	<ul style="list-style-type: none"> <li>• Authorized district charter school to serve Choice Scholarship students, with board of directors appointed by Board of Education and administrative staff appointed by superintendent</li> <li>• Offers efficient administrative structure for the district to maintain a connection to scholarship students, continue district accountability for student outcomes, control use of funding, and report student performance</li> </ul>
<b>DCSD Funding</b>	<ul style="list-style-type: none"> <li>• Financed with state and local funding under Colorado's School Finance Act of 1994</li> <li>• Provides scholarships equaling 75% of per pupil funding; \$4,575 per student or actual tuition charged</li> <li>• Retains 25% of per pupil funding, or \$1,525 per student, to pay for administration, student assessment, and contingency reserves</li> <li>• Maintains contingency reserve for financial assistance to district neighborhood schools negatively affected by students leaving to attend private schools or for other uses as determined by the district</li> </ul>
<b>DCSD Assessment and Reporting Requirements</b>	<ul style="list-style-type: none"> <li>• Administer Colorado and district assessments to Choice Scholarship students so their academic performance can be reported and compared to performance of students enrolled in other district schools</li> <li>• Require annual report to include a comparison of student outcomes between Choice Scholarship students and other DCSD students, as well as the financial effect of the program on the district</li> </ul>
<b>DCSD Payment Process</b>	<ul style="list-style-type: none"> <li>• Issue quarterly payments in the name of Choice Scholarship student's parent and send them to private school</li> <li>• Requires parents to restrictively endorse the scholarship check for sole purpose of paying tuition</li> </ul>
<b>Requirements for Student Eligibility</b>	<ul style="list-style-type: none"> <li>• Must be a resident of Douglas County</li> <li>• Must have attended a district neighborhood or charter school for previous school year</li> <li>• Must meet district attendance requirements and take statewide and district assessments</li> <li>• Must independently satisfy private school admission requirements</li> <li>• Family income not a criterion</li> </ul>
<b>Parental Responsibilities</b>	<ul style="list-style-type: none"> <li>• Sign contract describing rights and obligations of parent, student, and district</li> <li>• Release district from any liability arising from scholarship participation</li> <li>• Acknowledge that district would not create specialized programs at private schools and that students would receive the level of special education services provided by the private school</li> </ul>
<b>Private School Eligibility</b>	<ul style="list-style-type: none"> <li>• Allowed religious and nonreligious nonpublic schools located within and outside Douglas County to participate</li> <li>• Not required to change admission requirements; could make enrollment decisions based upon religious beliefs</li> </ul>
<b>Private School Application and Contract Requirements</b>	<ul style="list-style-type: none"> <li>• Demonstrate educational program produces student achievement as strong as DCSD's neighborhood and charter schools</li> <li>• Demonstrate financial stability and that facilities are in compliance with building codes</li> <li>• Demonstrate school met district standards through accreditation by a recognized state or national accrediting organization</li> <li>• Provide information describing mission, educational goals, history, organizational structure, governance, curriculum, educational philosophy, facilities, and financial information necessary to calculate the actual tuition cost per pupil</li> <li>• Provide policies on employment (including evidence of background check requirements and nondiscrimination), enrollment, and student conduct and discipline</li> <li>• Agree to length of program participation, release of scholarship students for state and district assessments, providing information to comply with state and federal reporting requirements, and allowing Choice Scholarship students to leave school at any time without penalty</li> <li>• Agree to receive scholarship funds for time period that scholarship student was enrolled</li> <li>• Agree to offer waiver from required student attendance of religious services</li> </ul>

Source: Program Evaluation Division based on information from Douglas County School District

The DCSD Board of Education acts on charter school applications based on recommendations from the Charter School Department. After application approval, DCSD and the charter school agree to a contract outlining the district's and charter school's respective responsibilities, as well as funding and services provided by the district. The contract also describes the charter school's governance, school operation and waivers, enrollment and demographics, and educational program. Charter schools must administer assessments required by the Colorado Department of Education, and DCSD also requires charter schools to administer district assessments. Testing results for DCSD charter schools contribute to DCSD's performance under Colorado's performance framework for school districts.

**Local funding of charter schools.** Charter schools in Douglas County are funded in the same manner as neighborhood schools. Based on this framework, DCSD charter schools receive 100% of district per pupil funding as determined by a state formula under the Colorado School Finance Act of 1994 and are funded through a combination of state and local funds. The district also provides charter schools their proportionate share of state and federal categorical aid for which a charter school is eligible. Charter schools are eligible for categorical funding upon plan approval by DCSD or the Colorado Department of Education. DCSD receives additional local funding through mill levy overrides,<sup>5</sup> and the DCSD Board of Education chooses to pay charter schools their proportionate share of these funds. Current state law does not require DCSD to share mill levy override revenue with charter schools, but the DCSD Board of Education decided to phase in providing a proportionate share of mill override levies to charter schools in 2010.

**Service delivery choices for charter schools.** Charter schools have the option of purchasing a variety of DCSD services. DCSD chooses to limit the required services that charter schools must purchase and provides the option to purchase other services. Under state law, school districts can retain up to 5% of per pupil funding from charter schools to cover the per pupil share of actual central administrative overhead costs for services provided to charter schools. DCSD does not automatically retain 5% of charter school funding for central administrative overhead costs. The district requires charter schools to purchase some services, such as those associated with staff dedicated to charter school administration, student information services, state and district mandated assessments, and email services. Charter schools then have the option to purchase a variety of other services from DCSD. Examples of optional services include business services, transportation, food services, health services, media services, and special education services. In Fiscal Year 2012–13, charter schools spent \$3.7 million of their total funding to purchase required and optional services from DCSD—3.2% to 10.9% of their total funding purchased DCSD services.

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<sup>5</sup> A mill levy is a property tax levied on a property's assessed valuation. One mill is one tenth of one percent (.001). A one-mill levy on a \$100,000 property would yield \$100 in tax revenue. The Colorado School Finance Act of 1994 also allows DCSD to authorize additional local funding for public education. These funding sources are referred to as mill levy overrides.

## 2. How does Colorado education law enable Douglas County to expand school choice for families?

### **Colorado state education law permits the Douglas County School District (DCSD) to implement and expand school choice for families.**

Relevant provisions of Colorado state education law include

- the Colorado Constitution,
- the Public School Finance Act of 1994,
- the home-based education law,
- the Charter School Act, and
- the Public Schools of Choice Act.

**Colorado Constitution.** The Colorado Constitution requires local control of public schools, which allows the DCSD Board of Education to develop educational programs promoting school choice. Article IX, Section 15 of the Colorado Constitution states, “The general assembly shall, by law, provide for organization of school districts of convenient size, in each of which shall be established a board of education, to consist of three or more directors to be elected by the qualified electors of the district. Said directors shall have control of instruction in the public schools of their respective districts.”

The Colorado Supreme Court has consistently interpreted this provision to mean that local school districts must retain control over any instruction paid for with locally-raised funds, as this control allows local school boards to tailor educational policy to suit the needs of individual districts, free from state intrusion. This interpretation was utilized by the Colorado Supreme Court in 2004 when it held that the Colorado Opportunity Contract Program (a state school voucher program) violated the local control provision because it directed school districts to turn over a portion of their locally-raised funds to nonpublic schools, over whose instruction the districts had no control.<sup>6</sup>

The DCSD Board of Education has exercised local control by enacting policies and programs promoting school choice, including using per pupil funding for the home education enrichment and Choice Scholarship programs. The current litigation over the Choice Scholarship Program has considered the local control provision in the Colorado Constitution, but the Colorado District Court and Court of Appeals found that this provision did not apply to the program.

**School Finance Act of 1994.**<sup>7</sup> The Colorado Constitution and the School Finance Act of 1994 determine how DCSD funds its schools. First, the Colorado Constitution sets a minimum statewide base per pupil funding level for all Colorado school districts. The statewide base amount is then modified for each school district based on various factors, stipulated in the School Finance Act of 1994, intended to address constitutional requirements to provide a thorough and uniform system of public education in Colorado. These adjustments create a district’s per pupil

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<sup>6</sup> Owens v. Colorado Congress of Parents, Teachers and Students, 92 P.3d 933 (2004).

<sup>7</sup> Colo. Rev. Stat. § 22-54 (2012).

funding level. A school district's total program funding is determined by multiplying per pupil funding by the funded pupil count.<sup>8</sup>

Most Colorado school districts rely on a combination of state and local revenue sources to finance public schools. Local revenue sources include property (mill levy) and motor vehicle ownership taxes. State aid equalizes the difference between a school district's total program funding and local revenue for district public schools. The state's share of total program funding varies based on the amount of local tax revenue produced in each district.<sup>9</sup> School districts also receive state funding for categorical programs that are funded separately from the School Finance Act of 1994 and are identified in the Colorado Constitution.<sup>10</sup>

DCSD can fund home education enrichment programs because the School Finance Act of 1994 allows Colorado school districts to receive 50% of per pupil funding for part-time students. State law authorizes school districts to count part-time students in accordance with rules promulgated by the Colorado State Board of Education. Under the rules for determining pupil enrollment, school districts can count home education students attending a district educational program providing at least 90 hours of teacher-pupil instruction and teacher-pupil contact during a semester or 180 hours for an entire school year. The 180 hour instructional contact requirement for home education students equals about 19% of the 968 hours of instruction time required under Colorado law for elementary school students. Even though home education students may attend a DCSD school or program less than half-time, the district still receives 50% of its per pupil funding level for each home education student enrolled part-time at a neighborhood school or participating in a home education enrichment program. These funds cover the full cost of DCSD's Home Education Partnership Program.

The School Finance Act of 1994 also allows Colorado school districts to authorize additional local funding for public education by authorizing them to raise and expend additional local property tax revenue for public education beyond the amount required by state law. These mill levy overrides require a referendum approved by eligible voters of the district and are limited under state law to 25% of a district's total program funding under the School Finance Act of 1994. DCSD voters have approved \$33.7 million in mill levy overrides for public education.

**Home-based education law.**<sup>11</sup> Colorado's home education law supports DCSD's provision of home education services. State law defines home education as a nonpublic home-based educational program providing a sequential program of instruction for the education of a child that takes place in a home, is provided by the child's parent or by an adult relative of the child designated by the parent, and is not under the supervision

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<sup>8</sup> The funded pupil count corresponds to the number of students enrolled in the school district on October 1.

<sup>9</sup> A few Colorado school districts receive sufficient local revenues to cover the district's total funding and do not receive state aid.

<sup>10</sup> Categorical programs as defined in the Colorado Constitution include transportation, English language proficiency, expelled and at-risk students, children with disabilities, gifted children, suspended students, vocational education, small attendance centers, comprehensive health education, and any other accountable program specifically identified in law as a categorical program.

<sup>11</sup> Colo. Rev. Stat. § 22-33-104.5 (2012).

and control of a school district. The regulation of home education in Colorado is limited because the legislature has declared that nonpublic home-based educational programs are subject to the minimum state controls applicable to other forms of nonpublic education.

The Colorado Department of Education oversees home education, but parents establishing a nonpublic home-based educational program must first provide written notification to a school district. Nonpublic home-based educational programs in Douglas County typically register with the DCSD Home Education Partnership Office and thereby receive information on how DCSD provides support to home education families. Colorado's home education law reinforces the School Finance Act of 1994 by authorizing school districts to count students participating in a home-based educational program and attending a public school for a portion of the school day when determining pupil enrollment for funding purposes.

**Charter School Act.**<sup>12</sup> The Colorado Charter School Act enhances DCSD's partnership with charter schools, granting the DCSD Board of Education exclusive chartering authority. A charter school in Colorado is a public school operated by a group of parents, teachers and/or community members as a semi-autonomous school of choice within a school district, operating under a contract or "charter" between the members of the charter school community and the local board of education.

State law authorizes the Colorado State Board of Education to grant exclusive chartering authority to a local board of education if the state board determines the district demonstrates fair and equitable treatment of charter schools.<sup>13</sup> With exclusive chartering authority, the DCSD Board of Education receives and approves each charter school application, ensures it meets state charter school standards, and enters into a charter contract with the charter school. A charter school becomes a public school of the school district that approves its application. As an exclusive chartering authority, DCSD cannot impose a moratorium on approving charter school applications, arbitrarily limit charter school enrollment, or discriminate against a charter school when publicizing educational options within the district.

Colorado charter school law also directs the allocation of funding for DCSD's charter schools. State law requires DCSD to report the number of students enrolled in charter schools approved by the DCSD Board of Education. DCSD receives per pupil funding for charter school students, and the contract between DCSD and each charter school must designate the funding and services provided by the school district. State law mandates that charter schools receive 100% of per pupil funding for each enrolled charter school student, but DCSD may retain up to 5% of per pupil revenue to pay for central administrative overhead costs related to services provided to charter schools. Charter schools may contract with DCSD for direct purchase of district services in addition to those included in central administrative overhead costs. State law authorizes DCSD to

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<sup>12</sup> Colo. Rev. Stat. § 22-30.5 (2012).

<sup>13</sup> The Colorado Charter Institute is authorized under Colo. Rev. Stat. § 22-30.5-503 (2012) to accept applications for schools in school districts without exclusive chartering authority.

contract with charter schools to provide or pay for charter school facilities. Under the local control provisions of the Colorado Constitution, DCSD chooses to share local mill levy override funding with charter schools.<sup>14</sup>

**Public Schools of Choice Act.**<sup>15</sup> The Colorado Public Schools of Choice Act requires DCSD to allow inter-district and intra-district open enrollment for students. Every school district must establish policies and procedures for both resident and nonresident students that wish to apply to attend any programs or schools within a school district. School districts cannot charge nonresident students tuition under the open enrollment law because the school district enrolling the nonresident student receives per pupil funding for that student. The law allows school districts to deny applications if

- space or teaching staff within a particular program or school is limited,
- the school requested does not offer appropriate programs or is not structured or equipped with the necessary facilities to meet the special needs of the applicant or does not offer a particular program requested;
- the applicant does not meet established eligibility criteria for participation in a particular program;
- a desegregation plan is in effect for the school district and denial is necessary in order to comply with the desegregation plan; or
- the applicant has been expelled or is in the process of being expelled.

Based on this law, the DCSD Board of Education has promulgated policies describing the process for resident and nonresident students to attend a school or participate in a program located in an area other than their assigned neighborhood school.

### 3. How does North Carolina education law affecting school choice differ from Colorado education law?

As outlined previously in this report, Colorado's Constitution and education law enables Douglas County School District (DCSD) to offer expanded school choice options. The Program Evaluation Division identified four ways that North Carolina education law regarding school choice differs from Colorado education law. These differences are

- charter school authorization, oversight, funding, and accountability are controlled at the state level with very limited involvement by local school administrative units;
- statewide scholarship programs for students to attend private schools are administered by the North Carolina State Education Assistance Authority;
- local school administrative units are not required to provide students the choice of intra- or inter-district open enrollment; and

<sup>14</sup> Enacted Colorado legislation, pending passage of a ballot measure, will require school districts to negotiate with charter schools regarding the amount a charter will receive from future mill levy overrides.

<sup>15</sup> Colo. Rev. Stat. § 22-36-101 (2012).

- local school administrative units in North Carolina do not have specific authority to receive funding to provide services for home education students.

**Charter school authorization, oversight, funding, and accountability are controlled by the North Carolina State Board of Education with very limited involvement by local school administrative units.** Until recently in North Carolina, a charter school could apply to a local board of education for preliminary approval of its application, but this option was eliminated during the 2013 Session when legislation was enacted to revise existing charter school law.<sup>16</sup> Under current law, the State Board of Education authorizes and oversees charter schools, while the Department of Public Instruction allocates funding and measures the performance of charter schools. Exhibit 8 illustrates charter school authorization, oversight, funding, and accountability for North Carolina charter schools. This exhibit can be compared to Exhibit 9, which provides the same information for Colorado charter schools, using DCSD as an example.

The North Carolina exhibit illustrates that local school administrative units are not involved with charter school authorization, oversight, administration, or accountability. Local school administrative units are only required to transfer local per pupil funding to charter schools for students attending a charter school and residing in the local school district. By contrast, the Colorado exhibit shows that DCSD's exclusive chartering authority allows it to control charter school oversight, administration, funding, and accountability. North Carolina House Bill 750, introduced during the 2013 Session, proposed a pilot program for local boards of education to act as chartering authorities for charter schools in a local school district, but the General Assembly did not act on the proposed legislation.

**Scholarships for students to attend private schools are administered by the North Carolina State Education Assistance Authority.** During the 2013 Session, the General Assembly directed the State Education Assistance Authority to operate two statewide scholarship programs for eligible North Carolina students in grades K–12 to attend private schools where tuition is charged: Opportunity Scholarship Grants<sup>17</sup> and Special Education Scholarship Grants for Children with Disabilities.<sup>18</sup> Currently, local boards of education are not authorized to use state funds to administer a local scholarship program.

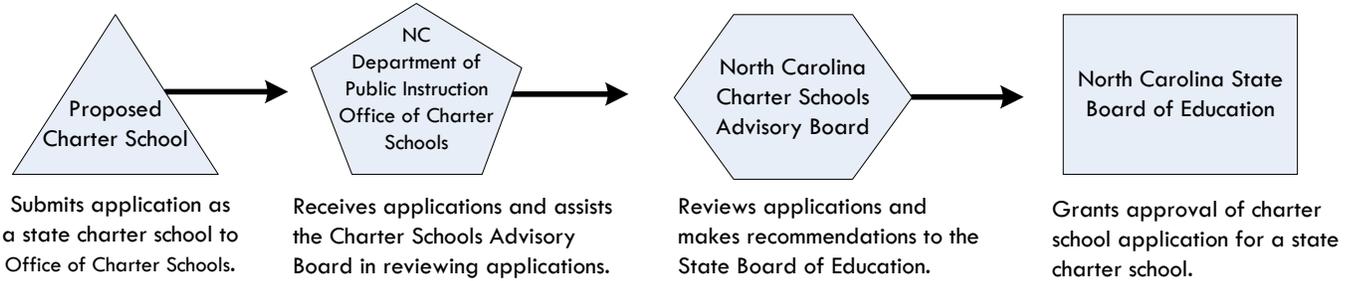
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<sup>16</sup> N.C. Sess. Law, 2013-355.

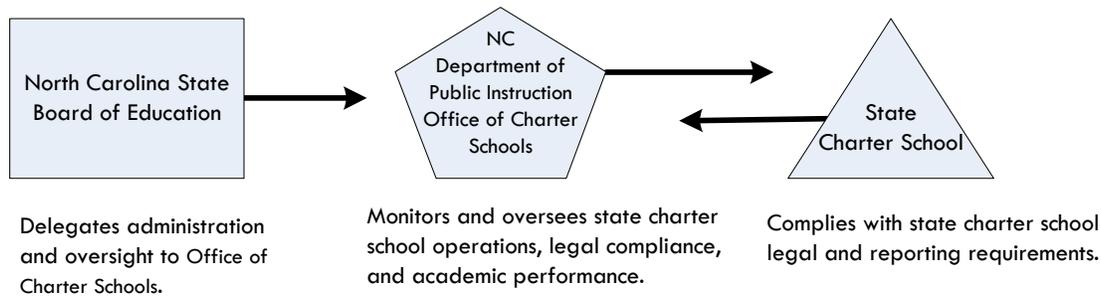
<sup>17</sup> N.C. Sess. Law, 2013-360, Section 8.29.

<sup>18</sup> N.C. Sess. Law, 2013-364.

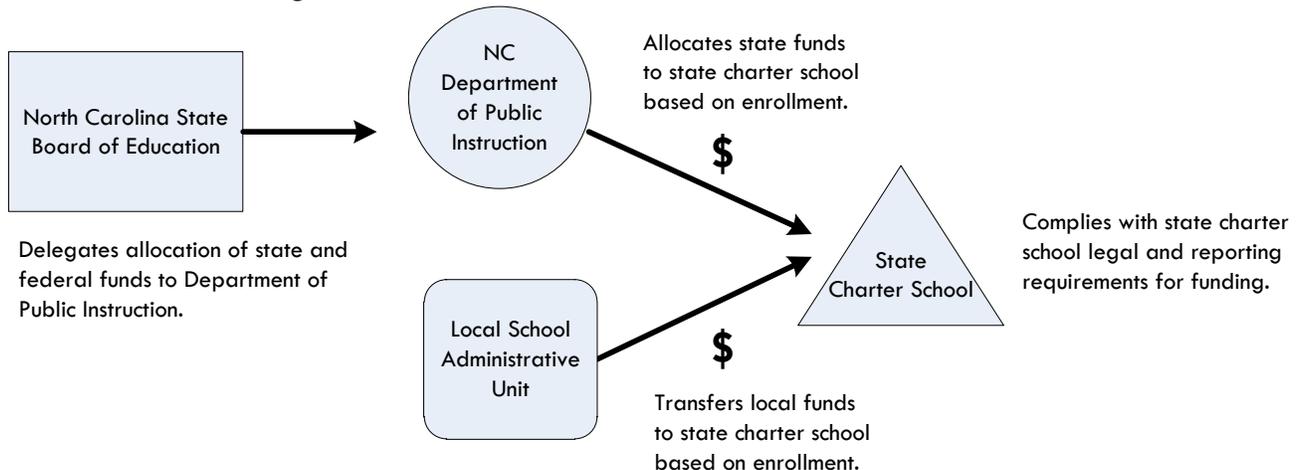
## Exhibit 8: North Carolina Charter School Authorization, Oversight, Funding, and Accountability



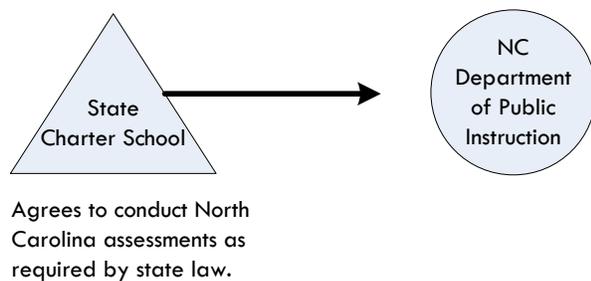
### Charter School Oversight and Administration



### Charter School Funding

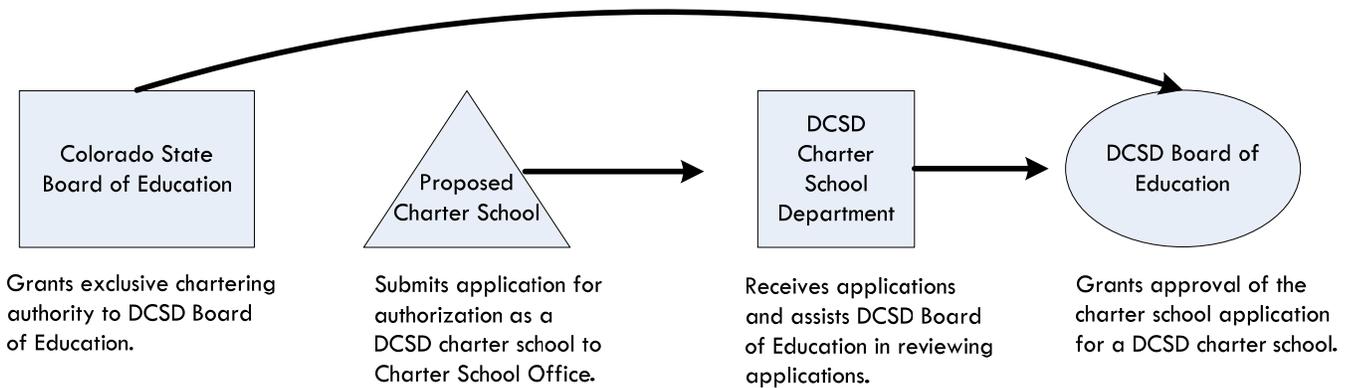


### Charter School Performance

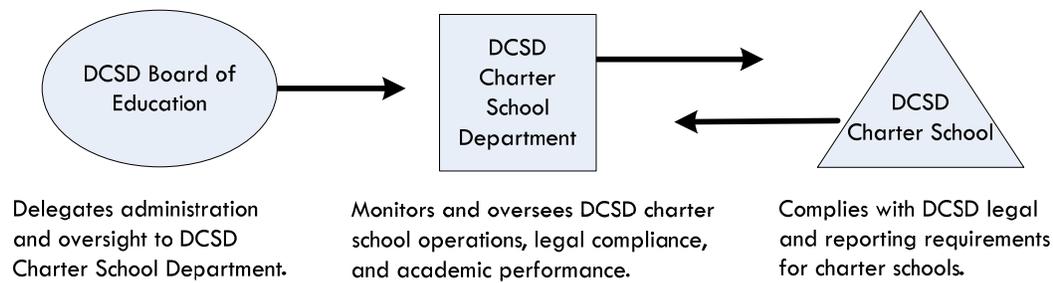


Source: Program Evaluation based on North Carolina charter school law.

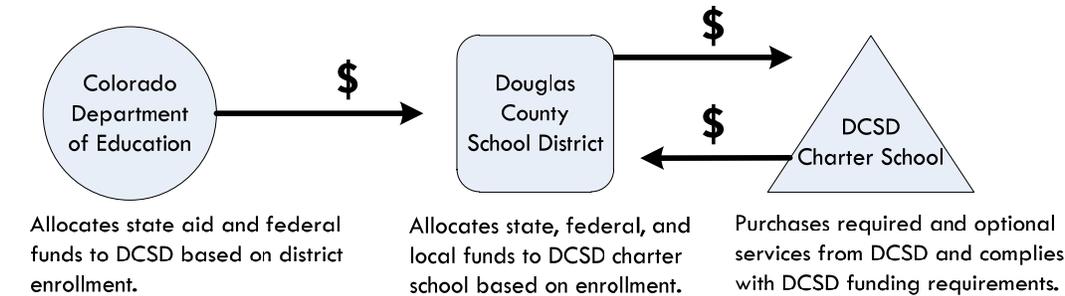
## Exhibit 9: Colorado Charter School Authorization, Oversight, Funding, and Accountability



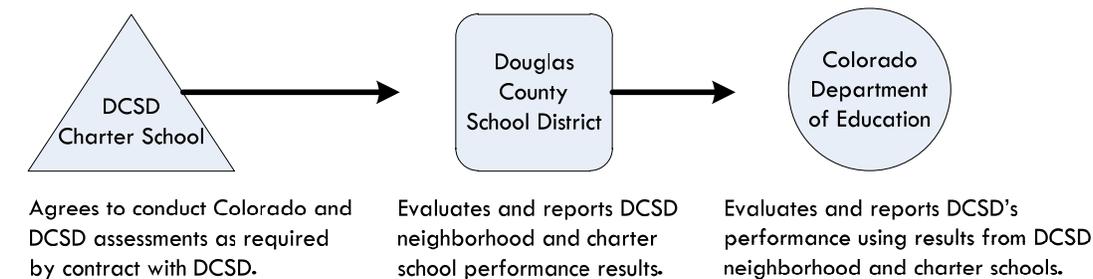
### Charter School Oversight and Administration



### Charter School Funding



### Charter School Performance



Source: Program Evaluation based on documents from the Douglas County School District and Colorado charter school law.

**Local school administrative units are not required to provide students the choice of intra- or inter-district open enrollment.** As discussed earlier in this report, intra-district open enrollment offers students a choice of schools within a school district's boundaries, while inter-district choice allows students to attend schools located in surrounding school districts without paying tuition. In North Carolina, state law gives local boards of education complete authority to assign students to public schools. A local board of education can choose to offer students an opportunity to attend a school or participate in a program located in an area other than that of their assigned school, but state law does not require local boards of education to offer intra-district open enrollment. State law allows a student that lives in one school district to be assigned to a public school located in another school district, but both local boards of education must agree to the assignment and tuition can be charged.

**Local school administrative units in North Carolina do not have specific authority to receive funding to provide services for home education students.** As explained earlier, DCSD receives state funding to support its home education programs. Under Colorado law, DCSD receives 50% of per pupil funding for home education students who attend a DCSD school or program for a minimum of 180 hours, or about 19%, of the school year. In North Carolina, local boards of education can choose to enroll home education students for a portion of the school day. The boards must develop policies for admission and attendance of home school students and state tuition cannot be charged. However, to be counted for state funding, a student must have a class schedule that constitutes at least 50% of an instructional day. Students with a schedule comprising less than 50% of an instructional day are visiting students and cannot be counted for state funding. Under the current funding structure in North Carolina, local school administrative units cannot receive state funding to support a home education enrichment program in cases where home education students receive instruction for less than 50% of the school day.

#### 4. What does North Carolina need to consider in determining whether to implement aspects of the Douglas County approach to school choice?

The Program Evaluation Division identified several factors the General Assembly should consider in determining whether to authorize local school administrative units to implement aspects of the Douglas County School District (DCSD) approach to school choice. The factors include

- lack of student performance data measuring the effects of DCSD's home education enrichment program and the Choice Scholarship Program;
- differences between demographics for North Carolina demographics and Douglas County, Colorado; and
- differences between education law, which would require changes to North Carolina education law to enable implementation of the DCSD approach to school choice.

**DCSD does not have student performance data to measure the effectiveness of the home education enrichment and Choice Scholarship programs.** Colorado home education law does not allow DCSD to test students enrolled in the home education enrichment program because testing requirements are controlled by parents. DCSD does have evidence that parents and students are satisfied with the home enrichment program because student enrollment has increased and the program has expanded to two sites. Student performance data also does not exist for the Choice Scholarship Program because the program was halted by litigation. The DCSD Board of Education intended to measure program effectiveness and directed the district to administer statewide or district assessments to Choice Scholarship students so their academic performance could be compared to the performance of students enrolled in other DCSD schools and programs. If the scholarship is reinstated, DCSD plans to analyze student performance to inform future policy developments for the Choice Scholarship Program. Without performance data, the Program Evaluation Division does not have sufficient information to determine how implementation of these programs would affect student outcomes in North Carolina.

**A comparison of North Carolina's demographics to the demographics of Douglas County, Colorado reveals major differences.** Exhibit 10 shows that North Carolina's population is more racially diverse, less affluent, and less educated than the population of Douglas County, Colorado. Other major North Carolina differences include

- a median income that is less than half the median income for Douglas County residents;
- a poverty rate that is more than four times the rate for Douglas County; and
- a rate of educational attainment of a bachelor's degree that is less than half the rate of attainment for Douglas County.

## Exhibit 10

### Characteristics of North Carolina and Douglas County, Colorado

Characteristics	North Carolina	Douglas County, Colorado
Total population	9,535,483	285,465
White	71.3%	91.8%
Black	22.4%	1.4%
Asian	2.5%	3.9%
Other	3.8%	2.9%
Estimated population speaking language other than English	10.6%	9%
Estimated population age 25+ with educational attainment of bachelor's degree or higher	26.5%	54.6%
Median household income	\$45,206	\$101,193
Estimated population with income below poverty level	16.1%	3.5%
Rate of home ownership	67.8%	81.8%

Sources: Program Evaluation Division based on information from the 2010 U.S. Census, American Community Survey 2007–11 and Current Population Survey, Annual Social and Economic Supplement for 2012.

Many of the differences distinguishing Douglas County's population from North Carolina's population may contribute to DCSD's success in expanding school choices for Douglas County residents. For example, serving an affluent population that is more likely to have access to the Internet makes it easier to increase communication about school choice by providing detailed information on DCSD's website. In addition, implementing a universal scholarship program that does not consider family income may be less controversial in a community with a low poverty rate. Because North Carolina's demographics differ significantly from Douglas County, the General Assembly may want to consider how those differences could affect local school administrative unit implementation of the Douglas County approach to school choice.

**As demonstrated earlier in this report, North Carolina education law affecting school choice is significantly different from Colorado education law.** Several aspects of Colorado education law enabled DCSD to expand school choice options for families and students living in Douglas County. Exhibit 11 summarizes the differences between North Carolina and Colorado education law affecting school choice.

## Exhibit 11

### Comparison of North Carolina and Colorado School Choice Law

State School Choice Law	North Carolina	Colorado
Mandated intra-district open enrollment	No	✓
Mandated inter-district open enrollment	No	✓
State funding for home education services provided by school districts	No	✓
Statewide scholarship programs	✓	No
School district chartering authority	No	✓
School district oversight of charter schools	No	✓
Mandated local funding of charter schools	✓	No
School district performance includes charter school testing results	No	✓

Note: Enacted Colorado legislation, pending passage of a ballot measure, will require school districts to negotiate with charter schools on the amount a charter will receive from future mill levy overrides.

Source: Program Evaluation Division based on review of North Carolina and Colorado education law.

If the General Assembly wants to permit local school administrative units to implement aspects of the DCSD approach to school choice, the following North Carolina education laws affecting school choice would require modification:

- Mandated open enrollment.** The General Assembly could consider expanding public school choice in North Carolina by requiring local school administrative units to offer intra-district and inter-district open enrollment and prohibiting local school administrative units from charging families tuition for inter-district enrollment. To ensure local school administrative units have some flexibility with implementation of open enrollment, the General Assembly could stipulate the parameters by which local school administrative units could deny applications; the Colorado Public Schools of Choice Act offers examples.
- State funding of home education services.** To incentivize local school administrative units to offer home education enrichment services, the General Assembly could consider changing how part-time students are counted for state funding purposes so local school administrative units could use state funding for home education enrichment services. Allowing local school administrative units to receive funding to provide home education enrichment services would have a fiscal impact, as these students are not currently counted for school funding purposes. During the 2011–12 school year, more than 79,000 students in North Carolina

attended home schools to receive their education, and the demand for home education enrichment services for these students is unknown. To gauge the demand for home education enrichment services and limit the initial fiscal impact, the General Assembly could authorize a pilot program that allows a limited number of local school administrative units to receive state funding to establish home education enrichment programs.

- **Scholarship programs.** Currently, local boards of education in North Carolina are not authorized to use state funds to administer a local scholarship program, but authorizing local boards of education to offer scholarship programs may be unnecessary with the establishment of two statewide scholarship programs. However, the design for DCSD's Choice Scholarship Program could inform future decision-making for statewide scholarship programs in North Carolina. DCSD used a novel interpretation of Colorado charter school law to establish a district-authorized charter school to administer the Choice Scholarship Program. This innovation offered DCSD an efficient administrative structure for maintaining a connection to scholarship students and continuing to gauge accountability for student outcomes. The General Assembly could consider whether establishing a statewide charter school to operate North Carolina's statewide scholarship programs and requiring state testing for scholarship students would increase accountability for student educational outcomes. In addition, the General Assembly could consider whether adoption of DCSD's application process and requirements for private school participation in the Choice Scholarship Program would enhance North Carolina's scholarship programs and assist the families of students receiving scholarships in selecting a private school.
- **Charter school authorization and oversight.** The General Assembly could consider a pilot program to allow local boards of education to act as chartering authorities for charter schools located within their local school district. House Bill 750, introduced during the 2013 Session, proposes a pilot program, and language from this bill could be used as a starting point.

**A statewide community engagement and strategic planning process could assist the General Assembly in determining whether DCSD's approach to expanding school choice is appropriate for North Carolina.** DCSD's School Choice Task Force and its strategic plan, the *Blueprint for Choice*, provide an example of how community engagement and strategic planning can assist a community in improving and expanding school choice options for families. If the General Assembly wishes to further investigate implementation of the DCSD approach, it should consider establishing a statewide community engagement and strategic planning process and direct education policy-makers and community stakeholders to examine whether DCSD's approach provides opportunities for improving and expanding school choice options in North Carolina.

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## Appendix

Appendix A: Douglas County School District Policy for the Choice Scholarship Program

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## Comments

A draft of this report was submitted to the State Superintendent of the Department of Public Instruction and the Chairman of the State Board of Education to review. Comments from the State Superintendent are provided following the appendix.

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## Program Evaluation Division Contact and Acknowledgments

For more information on this report, please contact the lead evaluator, Carol Shaw, at [carol.shaw@ncleg.net](mailto:carol.shaw@ncleg.net).

Staff members who made key contributions to this report include Chuck Hefren and Sara Niewnow. John W. Turcotte is the director of the Program Evaluation Division.

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**Appendix A: Douglas County School District Policy for the Choice Scholarship Program****Board File: JCB****CHOICE SCHOLARSHIP PROGRAM (PILOT)****A. Purposes and Findings**

1. Douglas County School District seeks to expand its education system that maximizes choice, celebrates freedom, improves quality through competition, promotes excellence, and recognizes that the interests of students and parents are paramount.
2. DCSD provides school choice to students and parents through numerous programs, including open enrollment, option schools, magnet schools, charter schools, on-line programs, home-education programs and partnerships, and contract schools. The Choice Scholarship Program is another way in which DCSD seeks to maximize school choice for students and parents to meet the individualized needs of each student.
3. The purposes of the Choice Scholarship Program are to provide greater educational choice for students and parents to meet individualized student needs, improve educational performance through competition, and obtain a high return on investment of DCSD educational spending.
4. The District finds that the Choice Scholarship Program furthers the requirements of nondiscrimination on account of religion with respect to civil rights as set forth in Section 4 of Article II of the Colorado Constitution.
5. The District finds that the Choice Scholarship Program does not violate Section 7 of Article IX, and that it fulfills the local control principle of Section 15 of Article IX, of the Colorado Constitution.
6. The District further finds that the Choice Scholarship Program is consistent with the legal principles contained in *Zelman v. Simmons-Harris*, 536 U.S. 639 (2002); *Owens v. Colorado Congress of Parents, Teachers and Students*, 92 P.3d 933 (Colo. 2004); and *Americans United for Separation of Church and State Fund, Inc. v. State of Colorado*, 648 P.2d 1072 (Colo. 1982).
7. The District finds that, while great care has been taken to develop the Choice Scholarship Program and to measure its effects on the District and its various stakeholders, it is in the best interests of the students, parents, employees, and community that a pilot program with limited participation be established until a record of its effects on student performance and financial viability can be reviewed and reported.
8. The District further finds that, in order to properly fund and to minimize negative effects on the District and state education funding, certain conditions of eligibility for participation by students in the Choice Scholarship Pilot Program, including residency and enrollment status, shall be established.
9. It is the intention of the District not to discriminate among nonpublic schools participating as Private School Partners. So long as the Private School Partners meet the Conditions of Eligibility in Section E.3 below, Private School Partners need not modify their admission criteria or education programs to participate in the DCSD Choice Scholarship Program. The District in no way promotes one Private School Partner over another, religious or nonreligious.

**B. Definitions**

1. “Board of Education” or “Board” means the Board of Education for Douglas County School District Re-1.
2. “Conditions of Eligibility” means the standards required of Private School Partners as set forth in Section E.3 of this Policy.
3. “District” or “DCSD” means Douglas County School District Re-1.
4. A “Choice Scholarship” is a check, payable by the District to the parent of a Choice Scholarship student, which can be used exclusively pursuant to the terms of this Policy and any associated administrative policies and procedures for the sole purpose of paying the tuition at a Private School Partner.
5. “Choice Scholarship Program” means the District’s educational program described in this Policy.
6. “Private School Partner” means a nonpublic school that meets the Conditions of Eligibility set forth in subsection E and participates in the Choice Scholarship Program. It may be religious or non-religious. A Private School Partner shall not include on-line education programs as defined by Colo. Rev. Stat. § 22-30.7-102 or a nonpublic home-based educational program as defined by Colo. Rev. Stat. § 22-33-104.5.
7. “Choice Scholarship Office” is that part of District administration created by this Policy and charged with administering the Choice Scholarship.
8. “Choice Scholarship student” means a child of school age who meets the standards set forth in subpart D and participates in the Choice Scholarship Program.
9. “Parent” means a child’s parent(s) or legal guardian(s).

### **C. Choice Scholarship Program and Office Created**

1. The Board hereby creates the Choice Scholarship Program as an additional educational choice offered by DCSD. The Choice Scholarship Office is also created to administer the Choice Scholarship Program. The Superintendent shall select those persons necessary to carry out the functions of the Choice Scholarship Office. The Superintendent has the discretion to integrate the duties of the Choice Scholarship Office into existing District administration so that it functions as efficiently and effectively as possible.
2. The Board directs the Superintendent and Choice Scholarship Office to make the Choice Scholarship Program operational as a Pilot as set forth in Section F for the 2011-2012 school year.
3. On behalf of the District, the Choice Scholarship Office shall pay to the parent of a Choice Scholarship student one-quarter of the value of a Choice Scholarship in September, November, February, and May, subject to adjustments as described herein. The Choice Scholarship Office shall calculate and make adjustments to Choice Scholarship payments to ensure that each parent of a Choice Scholarship student is receiving the appropriate amount based on the Choice Scholarship student’s actual enrollment in the Choice Scholarship Program, and that payments are sent to the appropriate Private School Partner(s) as chosen by the parent, including making *pro rata* payments as necessary.
4. To make the Choice Scholarship payments, the Choice Scholarship Office shall issue, on behalf of the District, a Choice Scholarship check in the name of the Choice Scholarship student’s parent. The Choice Scholarship Office shall send the check to the Private School Partner in which the Choice Scholarship student is enrolled, and the parent shall restrictively endorse the Choice Scholarship check for the sole purpose of paying for tuition at the Private School Partner.

5. The Choice Scholarship Office may delay or withhold payments of a Choice Scholarship if it determines that either (i) the Choice Scholarship student or his/her parent or (ii) the Private School Partner has violated a material provision of the Choice Scholarship Program. This decision may be appealed pursuant to the Choice Scholarship appeal process described in subsection C.8, but the Choice Scholarship Office has the discretion to delay or withhold payments pending resolution on appeal.
6. A Choice Scholarship shall be worth the lesser of:
  - a. The actual tuition cost charged per pupil at the Private School Partner, or
  - b. Seventy-five percent of per pupil revenue, as defined by Colo. Rev. Stat. § 22-54-103(9.3) (“PPR”), of the Choice Scholarship student enrolled in grades one through twelve.
7. Private School Partners shall submit to the Choice Scholarship Office the financial information necessary to permit the calculation of the “actual tuition cost per pupil” for all the students at the Private School Partner, both Choice Scholarship and non-Choice Scholarship students. Private School Partners shall submit this information in a format determined by the Choice Scholarship Office, with supporting documentation. The “actual tuition cost per pupil” for all Private School Partners shall be made available for review by parents and the public by the Choice Scholarship Office as prescribed by subsection E.3.k of this Policy.
8. *Appeal process.* A student, parent, or Private School Partner may appeal a decision of the Choice Scholarship Office. The student, parent, or school shall notify the Choice Scholarship Office of the intention to appeal within 14 days of receipt of a written adverse decision. Pursuant to procedures drafted by the Choice Scholarship Office but ultimately approved by the Board of Education, the student, parent, or school may appeal the decision to the Superintendent or his/her designee whose decision shall be final and not subject to any further appeals.
9. The Choice Scholarship Office shall make arrangements for the administration of any statewide and/or District assessments to Choice Scholarship students so that the academic performance of Choice Scholarship students can be reported as may be required by law, and can be compared to the performance of students in other District schools and programs.
10. The Choice Scholarship Office shall gather all information and report to the Colorado Department of Education and/or the US Department of Education as necessary to comply with the NCLB Act, the School Finance Act of 1994 (Colo. Rev. Stat. § 22-54-101 *et seq*) and all applicable non-waivable laws so that Choice Scholarship students will be included in the District’s pupil count and receive per pupil revenue from the state for the Choice Scholarship students. The Choice Scholarship Office shall ensure that each Choice Scholarship student is offered at least the minimum number of teacher-pupil instruction hours to comply with the School Finance Act.
11. *Annual report.* At least annually, the Superintendent shall give a report to the Board on the Choice Scholarship Program, including but not limited to (i) a comparison of student performance between Choice Scholarship students and non-Choice Scholarship District students; (ii) the financial effect of the Choice Scholarship Program on the District; (iii) the number and grade levels of students participating in the Choice Scholarship Program; and (iv) the number and type of Private School Partners participating in the Choice Scholarship Program.

#### **D. Participation by Students and Families**

1. To enroll in the District’s Choice Scholarship Program, a student or his/her parent shall complete the

application and any other informational forms required by the Choice Scholarship Office. A student shall be deemed part of the District's "pupil enrollment" for purposes of Colo. Rev. Stat. § 22- 54- 103(10), if that student remains enrolled in the Choice Scholarship Program as of October 1, or the school day nearest that date. The Choice Scholarship Office shall verify that each Choice Scholarship student is properly enrolled and participating in the Choice Scholarship Program as of that date.

2. Choice Scholarship Students shall independently satisfy all admission requirements of the Private School Partner. Eligibility for a Choice Scholarship under this Policy does not guarantee admission to any Private School Partner. Scholarship recipients are encouraged to learn about the Private School Partners' admission criteria, dress codes and expectations of participation in school programs, be they religious or nonreligious, before applying for a Choice Scholarship and exercising their choice of a Private School Partner.
3. If the number of Choice Scholarship applicants exceeds the scholarships available, a lottery will be conducted by the Choice Scholarship Office to select Choice Scholarship recipients. Subject to subsection F.3, below, there will be no priority given in the lottery to prior Choice Scholarship participation or siblings of Choice Scholarship students.
4. A student may disenroll from the Choice Scholarship Program by completing the necessary forms required by the Choice Scholarship Office, or by not remaining enrolled and/or actively participating in a Private School Partner.
5. To be eligible for a Choice Scholarship in the pilot, students shall be DCSD residents and attending a DCSD school for no less than one year. Non-resident, open-enrolled DCSD students are not eligible to participate in the Pilot Program.
6. Subject to the other eligibility requirements contained in this Policy, Choice Scholarship participants will continue to be eligible for as long as the pilot remains in operation so long as they remain Douglas County residents and enrolled in a Private School Partner. Continued enrollment at a Private School Partner is governed, in part, by subsection F.3, below.
7. No student shall be eligible to participate in the Choice Scholarship Program unless that student's parent signs a Choice Scholarship Contract describing the rights and obligations of the parent and student, on the one hand, and the District, on the other. The form of this Contract shall be prepared and updated from time to time by the Choice Scholarship Office. The Contract shall contain at least the following terms:
  - a. *Student attendance.* If a Choice Scholarship student fails to attend school in compliance with existing District Student Attendance Policy (JH) then that student shall be deemed to no longer be "actively participating" in the Choice Scholarship Program and thus shall become automatically disenrolled from the Choice Scholarship Program.
  - b. *Pro rata payment of funds.* If the Choice Scholarship student moves from one Choice Scholarship Private School Partner to any other school or educational program, then the parent agrees that Private School Partner is entitled to only those funds due for the period in which the Choice Scholarship student was enrolled. Payments shall be made and adjusted on a *pro rata* basis. See subsection C.3.
  - c. *Restricted endorsement.* The parent of the Choice Scholarship student shall agree to timely and restrictively endorse the Choice Scholarship for the sole purpose of paying tuition at a Private School Partner.

d. *Option to disenroll at any time.* An Choice Scholarship student may disenroll from a Private School Partner or from the Choice Scholarship Program at any time without penalty.

e. *Involuntary disenrollment.* The District, through the Choice Scholarship Office, may disenroll a Choice Scholarship student from the Choice Scholarship Program if it determines, by a preponderance of the evidence, that the student or his/her parent has violated a material provision of the Choice Scholarship Program or the Choice Scholarship Contract between the parent and the District described by this subsection D.7.

f. *No liability to District.* The parent of a Choice Scholarship student shall release the District from any liability arising from participation in the Choice Scholarship Program, including liability arising from any conduct by, omission by, or other occurrence at a Private School Partner.

g. *Assessment.* The parent of a Choice Scholarship student shall agree that the student shall take any statewide or District assessments to be administered at the time and place designated by the Choice Scholarship Office.

h. *Financial Responsibility.* The parent of a Choice Scholarship student shall be responsible for all tuition, costs and fees in excess of the amount provided by the Choice Scholarship that may be assessed by the Private School Partner that they choose.

i. *No Specialized Programs.* The parent of a Choice Scholarship student shall acknowledge that the District will not create specialized programs in Private School Partners. Participation in the Choice Scholarship program will be viewed as a voluntary parental placement in the private school for purposes of special education services, and students will receive the level of services provided by the Private School Partner.

j. *Waiver and Release.* The parent of a Choice Scholarship student shall release the District from liability for injuries or claims arising out the student's attendance at the Private School Partner.

8. Once a student receives a Choice Scholarship, that student shall remain eligible to participate until the student disenrolls from the Choice Scholarship Program, either voluntarily (*e.g.*, by withdrawal from the Choice Scholarship Program) or involuntarily (*e.g.*, termination of the Choice Scholarship Program by the Board, or for violations of Choice Scholarship Policy, *see* subsection D.7.e).

9. If a Private School Partner fails to meet the Conditions of Eligibility, the Choice Scholarship students enrolled in that school may return to a District school, or may apply to another Private School Partner. If accepted at another Private School Partner, the remainder of their Choice Scholarship shall be applied to the new school.

#### **E. Private School Partners' Conditions of Eligibility**

1. Nonpublic schools located within and outside the boundaries of Douglas County School District may participate in the Choice Scholarship Program.

2. The Choice Scholarship Office shall determine whether a Private School Partner qualifies to participate in the Choice Scholarship, subject to the Choice Scholarship appeal process described in subsection C.8.

- a. A Private School Partner may be denied participation only if (i) its application is not complete by the deadline or (ii) it fails to demonstrate that it meets the Conditions of Eligibility for participation, as described in subsection E.
- b. The Choice Scholarship Office shall describe in writing the specific reason(s) for denying an application.
- c. Nonpublic schools shall be eligible without regard to religion. The focus of the Choice Scholarship is not on the character of the Private School Partner but on whether that school can meet its responsibilities under this Policy and its Contract with the District.

3. To be eligible to participate in the Choice Scholarship Program, a Private School Partner shall demonstrate that it meets the following standards. The school shall provide the necessary information as part of its initial Choice Scholarship application and all renewal applications. The Private School Partner may demonstrate that it meets the following standards through evidence of accreditation by a recognized state or national accrediting organization that considers these standards. The District retains control over ensuring that Private School Partners are delivering quality educational instruction to Choice Scholarship students, regardless whether the District accomplishes this directly or by working with accrediting organizations.

- a. *Quality educational program.* A Private School Partner shall demonstrate that its educational program produces student achievement and growth results for Choice Scholarship students at least as strong as what District neighborhood and charter schools produce. One component of a school's educational program shall include how the school intervenes to improve a student's performance to ensure that all students are making satisfactory progress towards achieving the District's End Statements. Evaluation of Private School Partners shall examine the educational program over time and by many academic measures.
- b. *Financial stability.* To demonstrate financial stability, a Private School Partner shall disclose the school's financial history, including at minimum the past three years of audited financial statements; evidence of bank accounts for use solely by the school; financial policies; documentation showing adequate insurance policies; and any other financial documents the Choice Scholarship Office reasonably determines are relevant to this inquiry. Private School Partners that have been operating for fewer than three years at the time of filing the application ("new school applicants") shall demonstrate the ability to indemnify the District – through the purchase of a surety bond or any other means the Choice Scholarship Office deems satisfactory – for any loss to the District if the Private School Partner ceases operations. New school applicants shall also provide evidence that their operations, or plan for operations, are economically sound, including providing budgets, financial policies, insurance policies, and contracts regarding financial services.
- c. *Safety.* A Private School Partner shall demonstrate that its facilities are in compliance with building codes, and that it has a safe school plan consistent with Colo. Rev. Stat. § 22-32-109.1(2)(a).
- d. *Employees.* A Private School Partner shall provide a copy of its employment policies; a sample copy of its teacher/administrator contract(s), if any; a list of its teachers/administrators as of the date of its application, including their qualifications for the positions they hold; job descriptions for all positions; evidence of background checks on all teachers/administrators; and sample application materials used for hiring employees. A school shall have sound employment

policies, including conducting thorough criminal background checks to ensure school employees are safe to work with children.

e. *Facilities.* A Private School Partner shall provide a description and map of the building(s) and land used for school purposes; if leased, a copy of the lease agreement; and if owned, a copy of the documents demonstrating ownership, including financial documents related to any purchase (such as mortgage documents).

f. *Nondiscrimination.* A Private School Partner is prohibited from discriminating in its employment or enrollment decisions on any basis protected under applicable federal or state law, except that religious Private School Partners may make employment and enrollment decisions based upon religious beliefs, so long as such employment and enrollment decisions are not otherwise prohibited by applicable law.

g. *Student assessments.* A Private School Partner shall describe how it assesses student performance. Private School Partners shall agree to release Choice Scholarship students without academic penalty so that the District can administer statewide or District assessments (*e.g.*, CSAP) to the Choice Scholarship students enrolled at the school. The Choice Scholarship Office may determine what statewide or District assessments are appropriate, but it shall do so in such a way that the District may compare student performance of Choice Scholarship students with other District students.

h. *Enrollment.* A Private School Partner shall provide its enrollment policies, including any enrollment agreement the school requires students or parents sign. As described above in subsection E.3.f, to be eligible to participate in the Choice Scholarship Program, a Private School Partner shall not discriminate when enrolling students on any basis protected under applicable federal or state law, except that religious Private School Partners may make enrollment decisions based upon religious beliefs. A Private School Partner shall apply its admission requirements to Choice Scholarship students in the same manner as it does with non-Choice Scholarship students, so long as these requirements do not discriminate in violation of this subsection E.3.h. *See also* subsection D.2.

i. *Student conduct and discipline policies.* A Private School Partner shall provide its policies on student conduct and discipline, including its policies on suspension and expulsion. To be eligible to participate in the Choice Scholarship, a Private School Partner's policies and procedures on discipline, suspension, and expulsion need not replicate the requirements for a traditional District school (*cf.* Colo. Rev. Stat. §§ 22-33-105 & -106), but they shall provide for an environment where *all* students can gain the benefit of the school's educational program without harassment, disruption, or bullying.

j. *Governance and operations.* A Private School Partner shall provide a description of its governance and operations, including identifying the members of its governing board and its senior administration.

*School information.* A Private School Partner shall describe the school's mission, educational goals, history, organizational structure, curriculum, and educational philosophy as well as provide information to calculate the actual tuition cost per pupil, as described by subsection C.7 of this Policy. The Private School Partner shall describe how the school serves the educational needs of exceptional children, as defined by Colo. Rev. Stat. § 22-20-103(12). The Choice Scholarship Office may prescribe the format in which this information is provided such that the Office may readily compile the information on a website or other information clearinghouse so that parents

and the public may compare one Choice Scholarship Private School Partner to another, and to other District schools and programs.

k. *Opt Out of Religious Services.* A religious Private School Partner shall provide Choice Scholarship parents the option of having their child receive a waiver from any required religious services at the Private School Partner.

4. *Appeal process.* A Private School Partner whose application (initial or renewal) is denied by the Choice Scholarship Office may appeal that decision as provided in the appeal process described in subsection C.8.

5. *Pro rata sharing of funds.* As necessary, Choice Scholarship funds shall be shared on a *pro rata* basis. Thus, a Private School Partner is entitled to receive Choice Scholarship funds due to the parent's choice of that school only for that period when a Choice Scholarship student was actually enrolled and receiving educational services from the school. Private School Partners shall agree that adjustments shall be made to the quarterly payments in order to account for student enrollments and disenrollments during the school year. Private School Partners shall further agree that under certain circumstances they may be required to repay the District for overpayments.

6. *Term of participation.* The District, through the Choice Scholarship Office, shall grant a Private School Partner the opportunity of participating in the Choice Scholarship for a term one to five years, subject to annual renewal. Unless renewed, participation in the Choice Scholarship shall automatically expire at the end of the term.

7. *Contract.* To be eligible to participate in the Choice Scholarship, a Private School Partner shall sign a Choice Scholarship Contract with the District describing the rights and obligations of the school and those of the District. The form of this Contract shall be prepared and updated from time to time by the Choice Scholarship Office. The Contract shall address the Conditions of Eligibility in E.3, and shall contain at least the following:

- a. the term of participation granted to the Private School Partner;
- b. provisions to allocate risk, *e.g.*, purchasing insurance against risks of injury to DCSD students attending the Private School Partner;
- c. the information the Private School Partner shall regularly provide to the District to comply with reporting requirements under the NCLB Act, the School Finance Act of 1994 (Colo. Rev. Stat. § 22-54-101 *et seq.*), and for the District to report on school performance (Colo. Rev. Stat. § 22-11-503), including but not limited to, the qualifications of its instructional staff, the number of school hours of teacher-pupil instruction offered by the Private School Partner, student enrollment, daily student attendance, student performance, student discipline, financial statements, and a schedule for providing that information;
- d. a provision recognizing that the school is a separate entity from the District, and therefore, any debt or financial obligations of the Private School Partner shall not constitute debt or financial obligations of the District unless the District specifically assumes such obligations in writing; and

that a Choice Scholarship student may disenroll from the Private School Partner at any time without penalty. If the Choice Scholarship student moves from a Private School Partner to any other school or educational program, then the Private Partner School agrees that it is entitled to

only those funds due for the period in which the Choice Scholarship student was enrolled. Payments shall be made and adjusted on a *pro rata* basis. See subsection C.3.

8. *Purchasing Services.* Private School Partner may elect to purchase services from the District. The District shall provide those services to the Private School Partner under the same terms, including at the same cost, as those services are provided to other DCSD schools.

9. *Termination from the Choice Scholarship Program.* The District, through the Choice Scholarship Office, may terminate a Private School Partner's participation in the Choice Scholarship Program if it determines, by a preponderance of the evidence, that the Private School Partner has violated a material provision of the Choice Scholarship Program or the Choice Scholarship Contract between the school and the District. This decision may be appealed pursuant to the Choice Scholarship appeal process described in subsection C.8, but the Choice Scholarship Office has the discretion to include or exclude the Private School Partner from the Choice Scholarship Program pending resolution on appeal.

#### **F. Pilot**

1. The Choice Scholarship Program is hereby established as a pilot program for up to 500 students for a period of one year beginning in the 2011-2012 school year, annually renewable at the discretion of the Board and subject to non-appropriation of funds by the Board as permitted by law. Participation in the program by students or Private School Partners shall in no way be construed as creating a continuing right to the Choice Scholarship beyond the period of the pilot authorized by the Board.

2. If the number of Choice Scholarship applicants exceeds the 500 scholarships available in the pilot, a lottery will be conducted by the Choice Scholarship Office to select Choice Scholarship recipients.

3. Choice Scholarship recipients are eligible for consecutive yearly participation for the duration of the program, so long as they remain continuously enrolled in a Private School Partner(s) and comply with the other eligibility criteria of this Policy. Siblings of Choice Scholarship participants shall have no priority to receive Choice Scholarships.

#### **G. Administrative Policies and Procedures**

The Superintendent is authorized to create administrative policies and procedures necessary to carry out the purposes of this Policy.

#### **H. Severability**

If any provision of this Policy or the application thereof is held invalid, such invalidity shall not affect other provisions or applications of this Policy that can be given effect without the invalid provision or application, and to this end the provisions of this Policy are declared to be severable.

Adopted: March 15, 2011

Douglas County School District Re-1



# PUBLIC SCHOOLS OF NORTH CAROLINA

DEPARTMENT OF PUBLIC INSTRUCTION | June St. Clair Atkinson, Ed.D., *State Superintendent*

WWW.NCPUBLICSCHOOLS.ORG

October 15, 2013

John W. Turcotte, Director  
Program Evaluation Division  
300 North Salisbury Street ▪ Suite 100  
Raleigh, North Carolina 27603-5925

Dear Mr. Turcotte:

Thank you for asking me to review the Douglas County study that the Program Evaluation Division has completed.

The report's goal was to investigate opportunities to increase choice rather than focus on improving outcomes. I believe that student achievement is an important consideration.

You have noted several important factors in the report.

1. The difference between the demographics of Douglas County and North Carolina. The demographics of Douglas are vastly different from North Carolina in general and atypical for most North Carolina counties in particular. In Douglas County, an average home is \$313K, median household income is \$100,334K and the average wage is \$53K. They only have 3.5% poverty and are not very diverse. Because of the demographic differences, most of the citizens are well educated, have Internet and other means of communication to be aware of options for schooling. Indeed, the report mentions the disparity between Douglas County and the rest of Colorado. I believe the report understates the educational impact of these factors.
2. All schools must meet the same accountability requirements. In addition to magnets and typical innovative district options, the district offers charters, home-school services for which they receive state aid, intra and inter district choice options, and if ever found constitutional a school scholarship program. The LEAs may authorize charters, and the LEA may hold back enough funding to assist with certain services such as special education, transportation, finance, school lunch, etc. if the charter wants to participate. Students who are homeschooled may attend public school part-time and the district is compensated at 50% funding from state aid. The scholarship program has very specific requirements for schools that participate, and the schools must test the students using Colorado test instruments so that student performance may be tracked. Parents may also choose from among the schools in the district and outside the district. Schools may only refuse admission under certain circumstances mostly related to space.

## OFFICE OF THE STATE SUPERINTENDENT

June St. Clair Atkinson, Ed.D., *State Superintendent* | June.Atkinson@dpi.nc.gov  
6301 Mail Service Center, Raleigh, North Carolina 27699-6301 | (919) 807-3430 | Fax (919) 807-3445  
AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

The report did not speak to management companies with charters – it indicated charters were granted to parents, teachers and community members. The charters receive oversight and must test using Colorado tests. Does Douglas County allow outside management companies to run charters?

With regard to the role of the State, I would be curious for the report to explore how the State's mandate to assess its students, regardless of which choice program they select, plays into the flexibility of the individual programs. In other words, if the State still requires high-stakes testing of all of its students, which necessitates State-oversight over curricular content, where is the real benefit of choice for the students and their families?

I appreciate the opportunity to read and respond to your thorough report. Please call me if you have questions about my comments.

Sincerely,

A handwritten signature in cursive script that reads "June St. Clair Atkinson".

June St. Clair Atkinson

JSA:mw