



# School Leaders' Voices:

*Private School Leaders' Perspectives on  
The North Carolina Opportunity Scholarship Program*

OS Evaluation Report #1  
July 2017

Anna J. Egalite, Ashley Gray, Trip Stallings

**NC STATE**  
UNIVERSITY

College of  
Education

# Executive Summary

**Overview:** Enacted in 2013 and implemented in 2014-15, the North Carolina Opportunity Scholarship Program is a voluntary, statewide school voucher program for students from lower-income families. Despite funding to support over 6,000 students in 2015-16, only 58 percent of private schools registered to participate in the Opportunity Scholarship Program and only 44 percent actually ended up enrolling voucher recipients. As the program grows, school supply shortages may become problematic. Thus, to better understand school leaders' participation decisions, this report draws on school leader surveys and focus group data to shed light on why some schools choose to participate, while others opt out. This executive summary documents the primary findings of that analysis.

- Private schools that elected to participate in the Opportunity Scholarship Program are more likely to be religious schools, compared to private schools that do not participate in the program.
- When asked to choose the top characteristics that distinguish their schools from nearby public schools, private schools that do not participate in the Opportunity Scholarship Program are most likely to say that their schools require less standardized testing.
- The primary reason participating private schools cite for accepting students through the Opportunity Scholarship program is to help the school serve more disadvantaged students. Eighty-one percent of schools reported that this reason was either moderately important or very important for their participation in the program. Other common reasons private schools give for participating in the Opportunity Scholarship Program are to provide coursework or a curriculum that is an alternative to nearby public schools (selected by 63 percent of schools as being either moderately important or very important) and to achieve greater racial and socioeconomic integration in their schools (selected by 61 percent of schools as being either moderately important or very important).
- The top two concerns about the program among participating private schools are the possibility of future regulations that would change requirements for participating in the Opportunity Scholarship Program (86 percent listed this as a concern) and that the value of the opportunity scholarship will not increase on pace with increases in the cost to educate students (73 percent).
- Participating school leaders report that Opportunity Scholarship students are less well academically prepared than the typical student at their schools. The differential in school leaders' satisfaction rates with student preparedness across these two groups is eleven percentage points (80 percent of leaders are satisfied or very satisfied with the preparedness of Opportunity Scholarship students, compared to 91 percent who are satisfied with the preparedness of their typical student).
- Participating school leaders appear to be very satisfied with parent involvement in their schools,

and there is no statistically significant difference between satisfaction rates for the involvement of parents of Opportunity Scholarship students (94 percent) and the involvement of all other parents (93 percent).

- The primary channel through which participating private schools have learned about the Opportunity Scholarship Program is through Parents for Educational Freedom in North Carolina, a non-profit organization dedicated to school choice issues.

# Introduction

In July 2016, a team of researchers from North Carolina State University traveled across North Carolina to learn more about key stakeholder perceptions of various aspects of the North Carolina Opportunity Scholarship Program, a voluntary, statewide school voucher program for students from lower-income families. We distributed an online survey to every private school in the state—both those that participate in the program and those that do not—and conducted focus groups and interviews with private school leaders in five representative locations to better understand how the program works and how it has impacted participating schools, students, and their families. We asked questions about their impressions of the demand for and quality of the program. We also asked how well their schools have been able to integrate the program into existing educational, social, and fiscal structures. This report details the major findings from that data collection exercise.

## Program Overview

The North Carolina Opportunity Scholarship Program expands school choice in North Carolina by providing state-funded scholarships for eligible children in Kindergarten through twelfth grade. Established by North Carolina General Statute 115C-562 in 2013 and administered by the North Carolina State Education Assistance Authority (NCSEAA), the Opportunity Scholarship Program provides funding of up to \$4,200 per year for eligible students to attend participating private schools.<sup>1</sup> Awards are distributed one semester at a time and can be used for tuition and required fees at registered private schools.

The Opportunity Scholarship Program began in school year 2014-15, providing scholarships for 1,216 students to attend 224 private schools.<sup>2</sup> The program has experienced significant growth every year since then, with 3,460 recipients attending 313 private schools in 2015-16 and 5,432 recipients in 349 private schools in 2016-17.

Eligibility for the Opportunity Scholarship program is determined by several criteria. First, students must be North Carolina residents living in a household that does not exceed a statutorily-defined income cap, must not have graduated from high school or attended college, and must have turned

<sup>1</sup>Although the scholarship award has a maximum value of \$4,200, it cannot exceed the cost of tuition and fees, including books, equipment, transportation or other items required by the private school

<sup>2</sup>These data were published in NCSEAA's annual reports to the North Carolina legislature on the Opportunity Scholarship Program for the 2014-15 and 2015-16 academic years. Retrieved from <http://www.ncleg.net/documentsites/committees/JLEOC/Reports%20Received/2015%20Reports%20Received/Opportunity%20Scholarship%20Program.pdf> and <http://ncga.state.nc.us/documentsites/committees/JLEOC/Reports%20Received/2016%20Reports%20Received/Opportunity%20Scholarship%20Program%20Report%202016.pdf>



five years old on or before August 31. The household income eligibility threshold is set at 133 percent of the eligibility threshold for the federal free and reduced-price lunch program for a partial scholarship and is set at 100 percent of the federal free and reduced-price lunch program for a full scholarship. For a family of four, for example, maximum household gross income for 2016 could not exceed \$45,510 if a student applied for a full scholarship or \$60,528 for a partial scholarship.<sup>3</sup>

Second, students must be enrolled in a public school in North Carolina in the application year, be entering Kindergarten or first grade, or have received an Opportunity Scholarship. Students who do not meet any of these second criteria still may be eligible if they are in foster care or were adopted within the last year, or if they have a parent on fulltime active duty with the military.

Total scholarship funding is set by the state budget. In 2014-15, \$4,635,320 was disbursed in scholarship funds, and in 2015-16, \$13,149,842 was disbursed in scholarship funds. Effective July 1 2017, the 2016 Appropriations Act calls for increasing funds by at least ten million dollars every year for ten years.<sup>4</sup>

After the renewal scholarships have been awarded, at least fifty percent of the remaining funds must be used to award grants to students who qualify for the free and reduced-price lunch program. Any remaining funds are distributed among the remaining eligible applicants, with no more than forty percent of the remaining funds directed to students entering Kindergarten or First Grade.

To participate in the Opportunity Scholarship program, private schools must satisfy the requirements established by the state's Division of Non-Public Education for all private schools, they must register with NCSEAA, and they must conduct a criminal background check for the employee with the highest decision-making authority. Eligible private schools that receive more than \$300,000 in Opportunity Scholarship funds must submit an annual financial review report that has been prepared by a certified public accountant. Finally, all participating private schools are required to administer a nationally standardized test of their choosing to all scholarship students annually and to report these results to NCSEAA.

The Opportunity Scholarship program has faced two legal challenges, both of which alleged that the program violates the North Carolina Constitution: *Hart v. North Carolina* and *Richardson v. North Carolina*. Although the trial court ruled in favor of the plaintiffs, the North Carolina Supreme Court declared the program constitutional in a 4-3 decision in July 2015.

<sup>3</sup>See [http://www.ncseaa.edu/pdf/OPS\\_Overview.pdf](http://www.ncseaa.edu/pdf/OPS_Overview.pdf)

<sup>4</sup>See NCSEAA Opportunity Scholarship Program Summary of Data as of 2/1/17. Retrieved from [http://www.ncseaa.edu/documents/OPS\\_Summary\\_Data.pdf](http://www.ncseaa.edu/documents/OPS_Summary_Data.pdf)

## Purpose of this Report

The success of a statewide private school choice program like the North Carolina Opportunity Scholarship program rests on an assumption of adequate private school supply, yet little is known about the factors that influence school leaders' participation decisions. Despite funding to support over 6,000 students in 2015-16, only 58 percent of private schools registered to participate in the Opportunity Scholarship Program and only 44 percent actually ended up enrolling voucher recipients. This report presents the findings of a series of focus groups conducted in five regional centers across the state in summer 2016 and a statewide survey of all private school leaders in North Carolina administered in July 2016. We compare the structural (e.g., religious affiliation, school age), demographic (e.g., school composition), and self-reported (e.g., concerns about participation, reasons for participation) characteristics of private schools to better understand the factors that influence school participation decisions. We compare results across two distinct groups: 1) private schools that currently participate in the Opportunity Scholarship Program; and 2) schools that do not participate in the program. These comparisons allow us to identify specific barriers that may inhibit private school participation in a publicly-funded, targeted school choice program, as well as the specific features of program design that are associated with increased school participation in North Carolina's Opportunity Scholarship program.

## Methods

The central research questions driving data collection efforts for this report were:

1. What are the characteristics of private schools that choose to participate in the North Carolina Opportunity Scholarship Program and of those that do not participate?
2. Are there discernible patterns in the types of private schools that participate (e.g., by location, school type, school size, etc.), and, if so, what are they?

Data collection occurred in two phases, starting with focus groups conducted in five regions of the state and complemented by an online survey that was distributed to all private school leaders in North Carolina. The rich data collected from these two sources offer a valuable first glimpse into these research questions. Further analysis of administrative data, as it becomes available for future reports, will allow us to delve even deeper.

## ***Data Collection for Focus Groups and Interviews***

Focus groups and interviews with private school leaders were conducted in two waves, starting in the summer of 2014 and concluding in the summer of 2016. To ensure diversity in the experiences represented, data were collected from five locations across the state: Wilson (East), High Point (Piedmont), Raleigh (Central), Charlotte (West), and Fayetteville (South). Private school stakeholders who participated in the focus groups and interviews were part of a convenience sample.

To recruit participants for the first wave of data collection, the research team identified a stratified random sample of schools in order to solicit feedback from stakeholders in different regions of the state, serving student populations of varying sizes, and representing both religious and non-religious schools. Parents and leaders from just two schools agreed to participate for this first wave of data collection, so, to boost participation in the second wave of data collection, the research team worked with a third-party school choice non-profit organization that was well known to many of the participating schools. This organization helped the research team to identify and recruit schools and parents to participate in the second round of focus groups, which took place in the summer of 2016.

Overall, the final sample for focus groups and interviews consisted of 49 school leaders and 13 parents. Their data represent 34 schools in 15 of North Carolina's 100 counties. Digital audio from each interview and focus group was transcribed and uploaded into qualitative data analysis software for management and analysis.

## ***Data Collection for School Leader Surveys***

The process for developing specific survey questions consisted of reviewing the relevant literature to identify existing surveys that could be drawn upon, as well as writing original questions that were specific to the North Carolina context. The final survey instrument consisted of approximately twenty questions and took approximately fifteen minutes to complete. Questions were a mixture of multiple choice questions with responses on a Likert scale (e.g., Not a Concern; A Minor Concern; A Major Concern) and open response questions. We piloted the survey at North Carolina State University prior to distribution.

Coordinating with the state's Division of Non-Public Education, we gathered contact information for all private schools in the state (n=724) and distributed the survey via email using the survey software, Qualtrics. The initial invitation to participate in the survey was distributed on July 12, 2016 and was sent directly to the school leadership by using the preferred email address that was registered with the Division of Non-Public Education. Respondents occupied various school leadership roles, including principal, administrator, school founder, school president, school director, business manager,

and Director of Admissions. We distributed seven reminder emails to non-respondents throughout the month of July 2016. Accounting for inactive email addresses, the target sample was 673 schools and we achieved 266 responses for a school response rate of 40 percent.

After answering a set of common questions, the survey branched off into four separate paths and respondents were directed to answer specific questions based on their involvement in the Opportunity Scholarship program. We categorized participation in the program in four ways: Schools that currently participate in the program (n=177), schools that have never participated in the program and do not plan to do so (n=58), schools that are planning to participate in the program in the future (n=25), and schools that participated in the program in a previous year, but withdrew (n=6). When analyzing the data, we break out responses across categories where appropriate (remaining mindful of the differences in sample size across sub-groups), to identify differences in responses by school type.

## Results

### 1. Characteristics of North Carolina's Private Schools

In all, 266 private schools responded to the survey, and 67 percent of those respondents were participants in the Opportunity Scholarship program in school year 2015-16. This variation in respondent types allows us to compare the characteristics of participating and non-participating schools, and to identify potential patterns by school type.

#### *Religious Orientation and Affiliation*

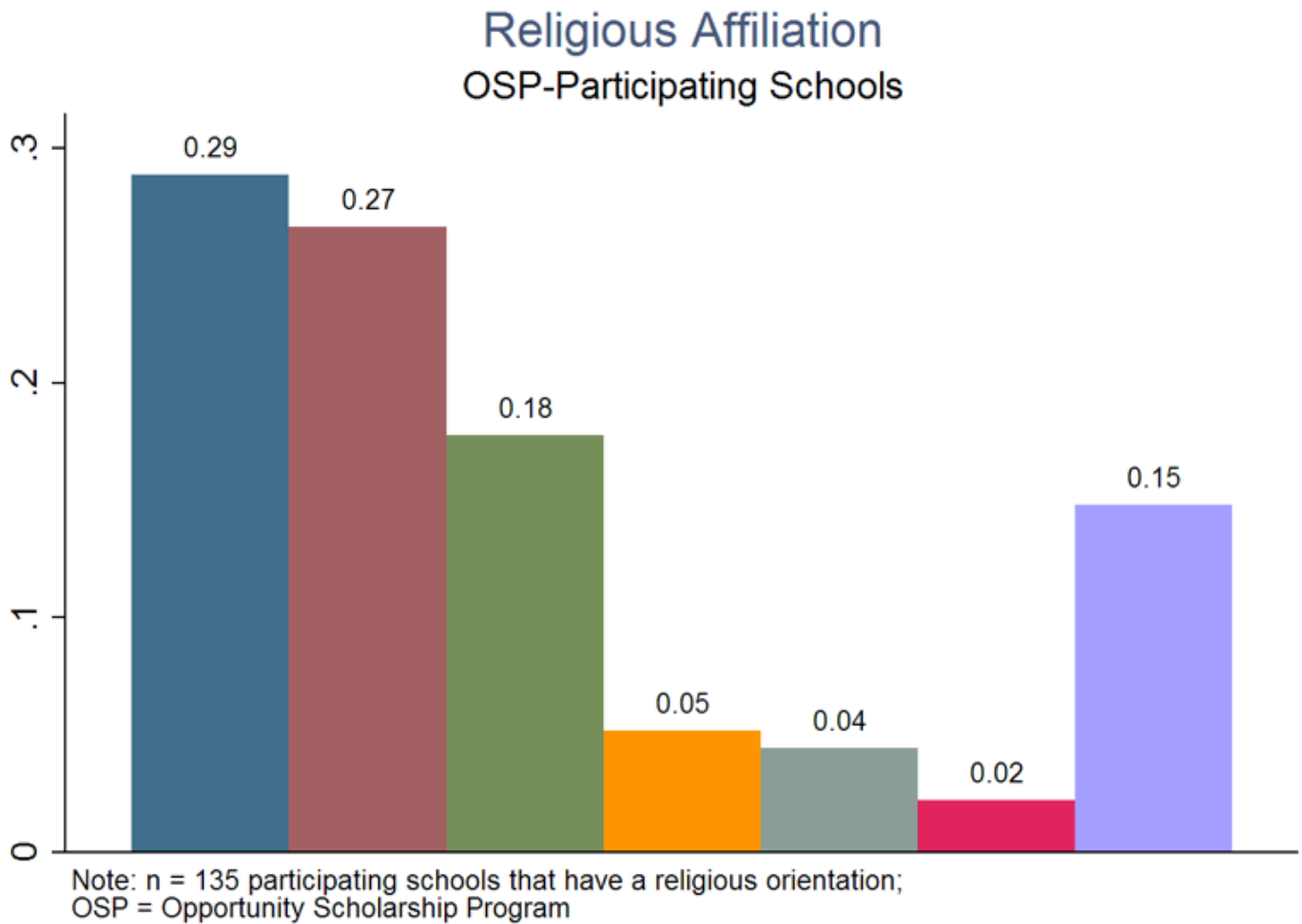
A higher proportion of participating schools (76 percent) indicated that their school has a religious orientation than did non-participating schools (42 percent).<sup>5</sup> The most common religious denomination represented among participating schools is Baptist (29 percent; Figure 1), followed by Christian (27 percent), then Catholic (18 percent).

One focus group participant noted that having religious orientation can mean more than just having a religiously-oriented curriculum: "[We're] a Christian based school, and that world view is taught in every aspect of our program." (High Point School Leader, 2016).

<sup>5</sup>This difference is statistically significant,  $p = 0.000$



Figure 1. Religious Affiliation



## Admissions

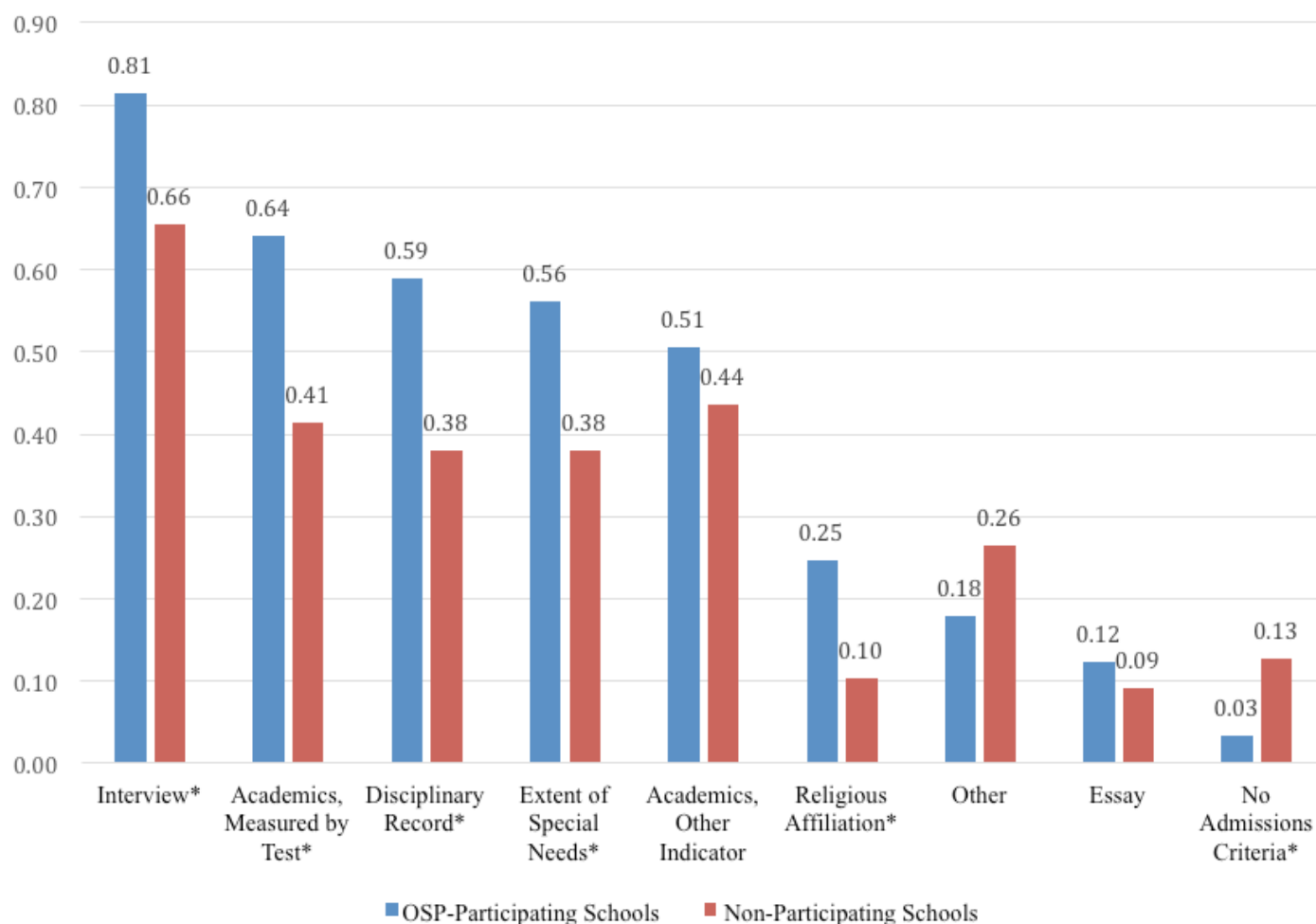
Participating private schools in North Carolina's Opportunity Scholarship Program are permitted to screen all applicants when deciding who to admit, even if a student already has been awarded an Opportunity Scholarship by the state. This feature of program design is commonly observed in special needs scholarship programs.<sup>6</sup> Voucher programs with alternative designs include the Louisiana Scholarship Program (formerly known as the Student Scholarships for Educational Excellence Program), which requires schools to use an open admissions process for enrolling scholarship recipients, and the Milwaukee Parental Choice Program, which requires schools to admit eligible students on a random basis.

<sup>6</sup>See, for example, the Arkansas Succeed Scholarship Program, Oklahoma's Lindsey Nicole Henry Scholarship for Students with Disabilities Program, Louisiana's School Choice Program for Certain Students with Exceptionalities, and North Carolina's Special Education Scholarship Grants for Children with Disabilities.

To learn more about the admissions criteria that North Carolina schools rely on when determining which students to admit, we asked schools to report which criteria they routinely use in admitting students. The vast majority of schools in our sample that are participating in the Opportunity Scholarship program reported relying upon an interview with prospective students (81 percent; Figure 2). The second most frequently selected option was a measure of students' academic ability, as measured by test scores (64 percent), and the third most frequently selected option was a review of the student's disciplinary record (59 percent).

A similar pattern is observed among the 88 private schools that do not participate in the Opportunity Scholarship Program. In this group, the majority of schools reported relying upon an interview with prospective students (66 percent). The second and third most frequently selected options were a review of academic achievement, either measured by a test (41 percent) or some other indicator of academic achievement (44 percent).

**Figure 2. Admissions Criteria**



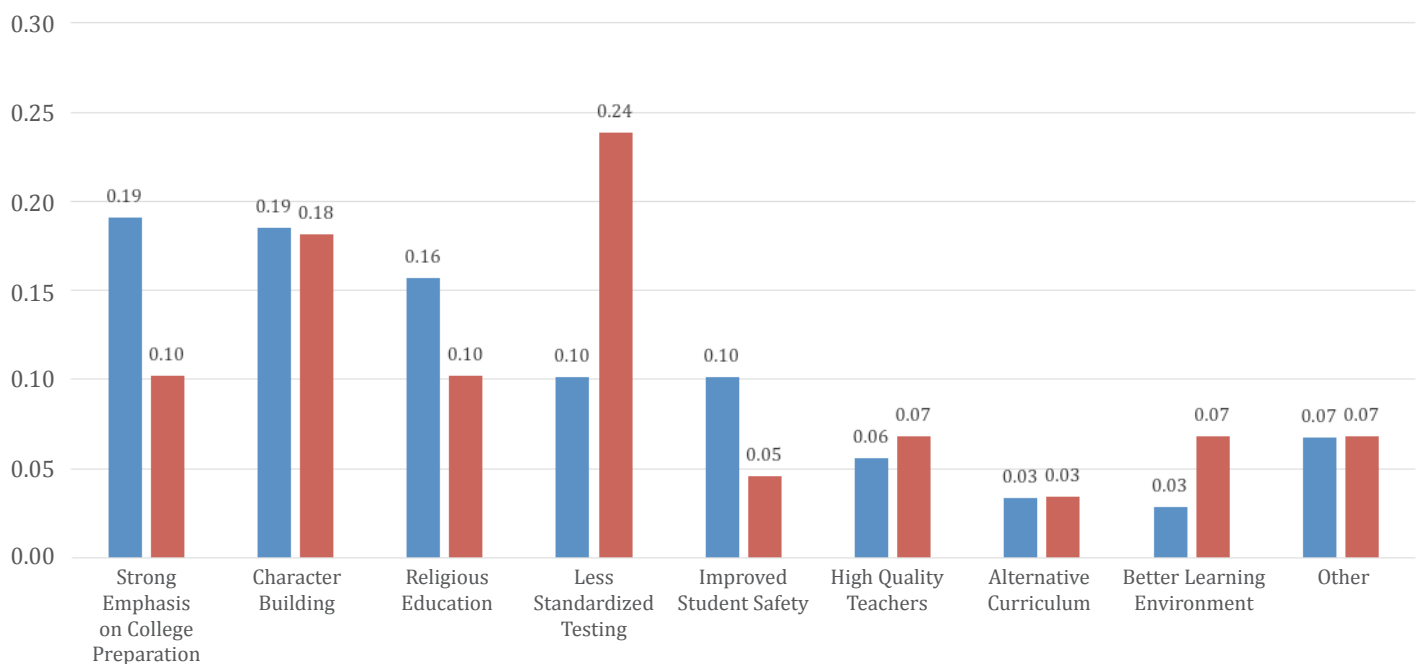
Note: n = 178 participating schools, 88 non-participating schools; OSP = Opportunity Scholarship Program; \* indicates that a difference is statistically significant at  $p < .05$

## Distinguishing Characteristics

To learn more about the distinguishing characteristics of North Carolina’s private schools, we asked those schools that are participating in the Opportunity Scholarship Program to choose the characteristics that they believe set them apart from nearby public schools (Figure 3). As with all lists presented in this survey, the response options were presented in a random order so as not to bias the frequency with which certain response categories were selected. The most frequently selected top distinguishing characteristic was a stronger emphasis on college preparation, chosen by 19 percent of participating schools (n=34). The second most frequently selected option was a stronger emphasis on character building, also chosen by 19 percent of participating schools (n=33). Finally, the third most frequently selected option was religious education, chosen by 16 percent of participating schools (n=28).

In focus groups, participating school leaders provided more detail about what they believe makes their schools different from their public school neighbors. Some noted their focus on special populations—for instance, one school leader noted that his school “work[s] with students that have learning differences” (High Point School Leader, 2016)—but most emphasized their ability to provide a religiously-minded curriculum and culture: “[O]ur mission is to impact the world for Christ.” (Concord School Leader, 2016)

**Figure 3. Distinguishing Characteristics of Participating and Non-Participating Schools**



Note: n = 178 participating schools, 88 non-participating schools; OSP = Opportunity Scholarship Program; \* indicates that a difference is statistically significant at  $p < .05$

We posed the same question to those private schools that elected not to participate in the Opportunity Scholarship Program, which revealed key differences in how these schools perceive themselves. When asked to choose the top characteristic that distinguishes their school from nearby public schools, private schools that elected not to participate in the Opportunity Scholarship Program were most likely to say that their school requires less standardized testing, with 24 percent choosing this option (n=21). The second most frequently selected option was a stronger emphasis on character building, chosen by 18 percent of schools (n=16). Finally, the third most frequently selected options were religious education and a stronger emphasis on college preparation, each chosen by 10 percent of non-participating schools (n=9).

## **2. How did North Carolina's Private School Leaders Learn about the Opportunity Scholarship Program?**

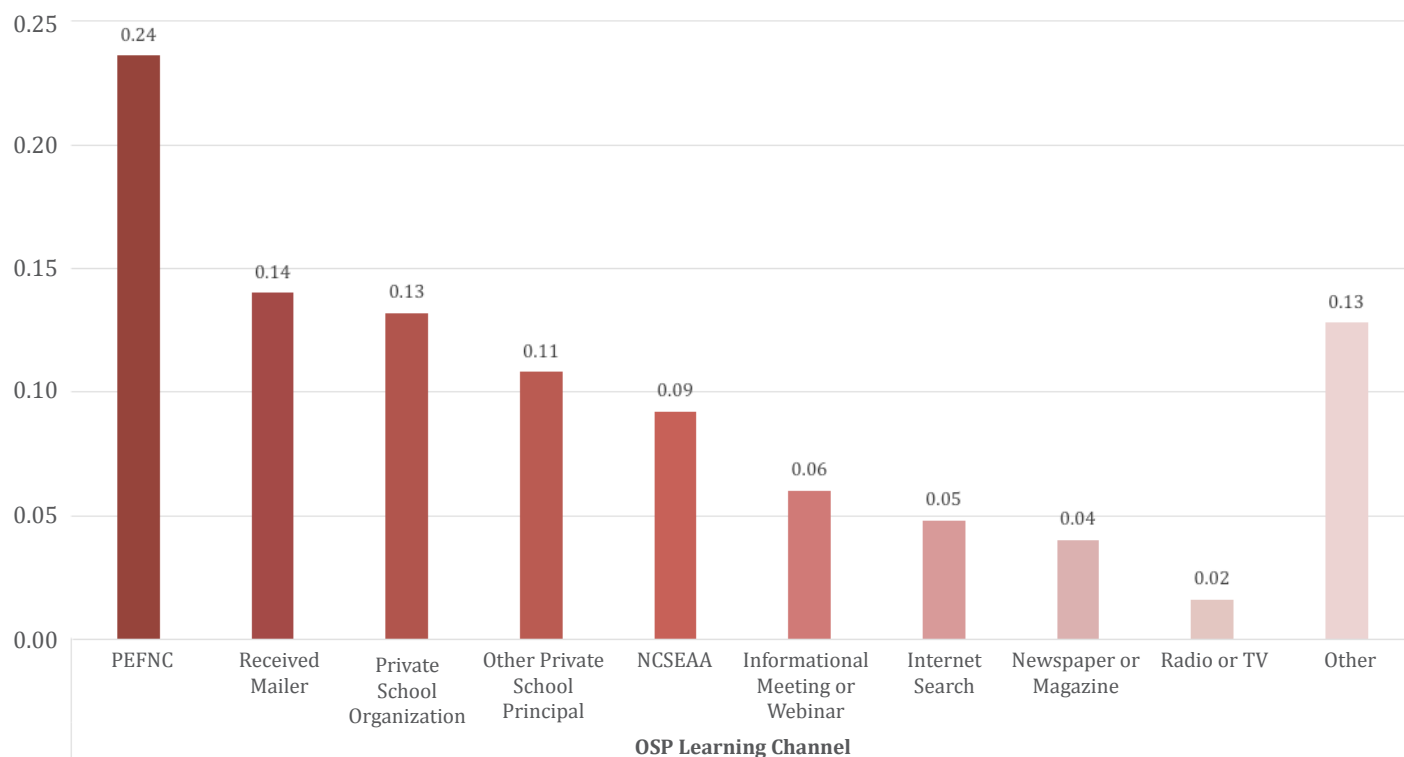
One of the central goals underlying this research was to develop a better understanding of why some private schools do not participate in the state's Opportunity Scholarship Program. To better understand this choice, we probed school leaders about how they learned about the program. These questions revealed that four percent of non-participating schools had never heard of the program. Among those private schools that were familiar with the program, we sought to better understand how they learned about the program (Figure 4).

The most frequently selected channel through which schools learned about the program was the statewide, non-profit school choice advocacy organization, Parents for Educational Freedom in North Carolina (PEFNC). Roughly one-quarter (24 percent) of respondents selected PEFNC when asked how they heard about the program. The second most frequently selected learning channel reported was the receipt of informational materials in the mail, selected by 14 percent of respondents. In joint third place at 13 percent each, the next most frequently selected learning channels were private school organizations (e.g., North Carolina Association of Independent Schools, North Carolina Christian School Association, etc.) or some "other" channel not listed.

Of note, the agency that administers the Opportunity Scholarship program—NCSEAA—may appear to be relatively low on this list at first glance (9%), but this figure may be artificially deflated by respondents selecting "informational meeting or webinar" as their primary learning channel instead, as NCSEAA regularly runs informational webinars for participating school leaders.

In focus groups with school leaders, many reported that they initially learned about the program from several different sources. Some noted that the sponsoring state agency, NCSEAA, was very helpful—"Every question I've sent in, they [NCSEAA] were very responsive, very quick to respond." (High Point School Leader, 2016)—while others highlighted the importance of word-of-mouth and

**Figure 4. Channels through Which Private Schools Learn about the Opportunity Scholarship Program**



Note: n = 150 respondents; PEFNC = Parents for Educational Freedom in North Carolina; NCSEAA = North Carolina State Education Assistance Authority

third-party organizations:

*We had families calling asking if we accepted it and that's how I looked into it. (Fayetteville School Leader, 2016)*

*NCAIS [North Carolina Association of Independent Schools], our state association . . . would report . . . about what the legislature was thinking and when we could expect something to happen. So our state association did a pretty good job of . . . sending [information]. (High Point School Leader, 2016)*

*We were introduced to the OS Program through the North Carolina Christian School Association (NCCSA). (Raleigh School Leader, 2016)*

*[A representative from] PEFNC . . . came in, he met with us here and got our ideas about it and invited us to one of the meetings up in Raleigh." (Fayetteville School Leader, 2016)*

Information saturation was not complete, however, with at least one school leader noting that information "just came by fluke to me" (High Point School Leader, 2016).



### 3. What Factors Influence Private Schools' Program Participation Decision?

The survey asked schools to indicate their current involvement with the Opportunity Scholarship Program, after which the survey posed different sets of questions for each involvement type so we could tailor more specific questions to participants and non-participants. This section focuses on those schools that are currently participating in the program.

Currently-participating respondents were asked, "How important are the following reasons for your school's participation in the NC Opportunity Scholarship Program?" They were then given seven factors to rate on a four-point Likert scale, ranging from "Not at all important" to "Very important." An open-response text-box also was provided for respondents to enter additional comments and reasons, if necessary.

As shown in Table 1, the primary reason that private schools give for participating in the state's Opportunity Scholarship program is to serve more disadvantaged students (81 percent of participating schools indicated that this reason was either moderately important or very important). The second most commonly selected reason for why private schools participate in the Opportunity Scholarship Program is to provide coursework or a curriculum that is an alternative to nearby public schools (63 percent of respondents indicated that this reason was either moderately important or very important). Finally, the third most commonly selected reason for why private schools participate in the Opportunity Scholarship Program is to achieve greater racial and socioeconomic integration (61percent).

We also allowed an open-response section for schools to indicate an alternative reason for participation, in case the reasons we offered were not sufficiently comprehensive or in case they needed to further explain the reason they selected. Sample responses to this open-response question were:

*[To] help stretch our school's financial aid dollars thereby increasing the number of disadvantage[d] students we can serve.*

*We believe Parents are best positioned to make educational decisions for their children and not the school or the state. [T]hat is the #1 reason we support this program.*

*We simply had one or two families apply to our school who needed the OS to make it possible. They are families that wanted their children to attend our school for what it is, not as an alternative to public school.*

*[To] help fill holes in classes with room with students who could otherwise not afford to come; [to] provide for some balance in gender as well as diversity in some classes that might*

*otherwise be slightly too small.*

*It allows students the opportunity to decide which school fits the families [sic] needs, and values.*

Focus group participants explained that participation in the Opportunity Scholarship program was not always an easy choice for their schools; part of the decision-making process involved convincing their stakeholders that accepting the funds would not subject them to state regulations with which they would not be comfortable:

*I was a little leery at first of the program, not knowing about the program. . . [I]t took me a little bit of time to get familiar with the program and what it did actually offer, the criteria for the program, for the applicant. . . [T]he one thing I think that helped me to be more involved with it is that it's not dictating our curriculum, our standards of teaching in the Christian school. (High Point School Leader, 2016).*

*I . . . talked with the administrator prior to me . . . and I said, "What do you think about this?" He said, "Now, it's not going to affect our curriculum, it's not going to affect our teaching, it's not going to change our standards or anything." And that . . . was one of the biggies for us, that this is probably going to benefit the students in our building, that we would not have to compromise their education or standards. (High Point School Leader, 2016).*

In the end, for many, the value of cutting costs for some families outweighed other concerns:

*[T]he program . . . is bringing people who wanted desperately to have this opportunity to have the school choice, and these parents are delightful, they've added to our culture, the children are delightful and wonderful and are doing wonderfully. (High Point School Leader, 2016).*

**Table 1. Reasons for Private School Participation in the North Carolina Opportunity Scholarship Program**

|   | Very Important | Moderately Important | Somewhat Important | Not at All Important |
|---|----------------|----------------------|--------------------|----------------------|
| Serve more disadvantaged students   | 0.70           | 0.11                 | 0.17               | 0.02                 |
| Provide coursework/ curriculum that's an alternative to nearby public schools | 0.51           | 0.12                 | 0.25               | 0.11                 |
| Expose more students to a religious learning environment                      | 0.50           | 0.10                 | 0.18               | 0.22                 |
| Ease tuition costs for eligible families already attending this school        | 0.47           | 0.13                 | 0.26               | 0.14                 |
| Achieve greater racial and socioeconomic integration                          | 0.39           | 0.22                 | 0.28               | 0.11                 |
| Provide additional revenue to assist with the operation of the school         | 0.30           | 0.22                 | 0.26               | 0.22                 |
| Provide extracurricular activities not available in nearby public schools     | 0.07           | 0.33                 | 0.18               | 0.42                 |
| Other   | 0.28           | 0.00                 | 0.04               | 0.68                 |

*Note: n=178 private school respondents that participated in the North Carolina Opportunity Scholarship Program in 2015-16*

We were also interested in learning more about the factors influencing the participation decision of schools that opted out of the program, so we posed a similar question to the leaders of schools that have never participated in the Opportunity Scholarship Program and schools that indicated they have no plans to do so in the near future (n=58). As Table 2 shows, the most frequently selected factor explaining a school's non-participation decision was a concern that future regulations might change requirements for participation, with 57 percent of non-participating respondents indicating that this concern played a role (minor or major) in their decision. Another common concern was the amount of paperwork and reports that are required of participating schools, selected by 47 percent of non-participants. Interestingly, 54 percent of schools in this category chose "Other Concerns" as playing a major or minor role, implying that their primary reason for non-participation was not listed in the options we provided. We offered an open-response text box for schools to list their concerns if selecting this option. The two most commonly cited reasons provided were that their school was not aware the program existed or that their school makes an effort to avoid accepting government funds:

*[We] did not know about the scholarship program.*

*The board leadership of the school is concerned about political entanglements that comes [sic] from receiving state and/or federal funding.*

*We question the long-term sustainability of the program. Also as a matter of policy and principle, we do not participate in government funded programs, directly or indirectly.*

*Concerns that opportunity scholarship students may require more resources than we have to offer.*

*We did not have enough financial aid money left when the applicant applied to fund the year's tuition for them. They wouldn't have had enough.*

**Table 2. Reasons that Private Schools Declined to Participate in the North Carolina Opportunity Scholarship Program**

| Variable   | Played a Major Role | Played a Minor Role | Did Not Play a Role |
|--|---------------------|---------------------|---------------------|
| Future regulations that might come with participation                        | 0.37                | 0.20                | 0.43                |
| Effect of participation on our school's independence                         | 0.29                | 0.13                | 0.58                |
| OS is not adequate to cover per-pupil costs                                  | 0.22                | 0.14                | 0.65                |
| OS amount is not adequate to cover our school's cost of educating a student  | 0.22                | 0.12                | 0.67                |
| Amount of paperwork and reports that are required of participating schools   | 0.18                | 0.29                | 0.53                |
| Effect of participation on our school's character or identity                | 0.10                | 0.08                | 0.82                |
| Effect of participation on our school's admissions standards                 | 0.10                | 0.04                | 0.86                |
| Concerns about testing requirement   | 0.08                | 0.16                | 0.76                |
| Concerns OS will not increase with increases in the cost to educate students | 0.06                | 0.18                | 0.76                |
| Effect of participation on our school's academic standards                   | 0.04                | 0.08                | 0.88                |
| Discipline and school safety as a result of admitting OS students            | 0.04                | 0.04                | 0.92                |
| OS students are not prepared for the academic rigor of our school            | 0.02                | 0.04                | 0.94                |
| Level of parental involvement from OS families                               | 0.00                | 0.08                | 0.92                |
| OS students would have difficulty passing our admissions test                | 0.00                | 0.04                | 0.96                |
| Other concerns   | 0.46                | 0.08                | 0.46                |

*Note: n=58 schools that have never participated in the program and are not planning to participate next year; OS = Opportunity Scholarship*

## 4. What are the Concerns of Participating Private Schools?

In the next part of the survey, we asked private schools to share any concerns they might have as participants in the Opportunity Scholarship Program. Three response categories in particular stood out. Looking first at the top two concerns most frequently shared by participating school leaders, both were future-oriented (Table 3). Eighty-six percent of participating schools listed future regulations that might come with participating in the Opportunity Scholarship Program as a minor or a major concern, and 73 percent of participating schools reported being concerned that the value of the opportunity scholarship might not increase on pace with increases in the cost to educate students. Related to the previous concern, 61 percent of participating schools noted as a minor or major concern that the current dollar amount of an Opportunity Scholarship is not adequate to cover their school's cost of educating a student.

Focus group data supported the latter finding, with many participating private schools noting that the Opportunity Scholarship provides incomplete tuition coverage:

*[P]robably about out of every ten people that we interview only about three of them can actually afford the tuition. (Raleigh School Leader, 2016)*

In cases in which the value of the Opportunity Scholarship is less than the cost of tuition, some schools are able to cover the difference—“[W]e will help them as much as we can for the remaining balance” (High Point School Leader, 2016)—but others still remained out of reach for some families:

*[S]ome of the schools in the area that have more expensive tuition, the Opportunity Scholarship program doesn't offer enough aid to make it worth it. So they choose not to participate. (High Point School Leader, 2016)*

Some schools have begun a practice of personalizing tuition based on what a family can afford to pay or some other metric:

*What we've been doing is we've been making accommodations for our students who participate in the OS program; but . . . even though . . . the Opportunity Scholarships have been extremely helpful for those parents who wanted to continue educating their students through our school, it's still a lot of extra costs where we have to try to work something out for them to attend. (Raleigh School Leader, 2016)*

One common theme across focus groups was a belief that requiring some parent participation in covering tuition costs—even if nominal—was an important part of generating parent commitment to the school:

*[W]e . . . feel like the parent needs to have a vested interest, so we still are requiring those*



*parents pay the registration fee. . . [W]e feel like they ought to have some ownership. (Fayetteville School Leader, 2016)*

*[W]e want those parents to have that little bit of commitment. . . [I]f you're just sending your kid and you know, not participating in the education of the child at all, what are you gaining, what is the child gaining from it? (Fayetteville School Leader, 2016)*

*[W]e do have tuition assistance, however, we have a rule of thumb that everyone has to pay something for school so no one has a full ride, but we do try to work with families and we have an outside evaluator who helps us to see exactly what they can pay and we work with them individually on that. (Concord School Leader, 2016)*

Of note, one potential unintended consequence of the current structure of the Opportunity Scholarship is its impact on a family's non-education-related decisions. One school leader shared that, because eligibility is means-tested, some families weigh the pursuit of job opportunities against how those opportunities might impact their eligibility:

*I had a father tell me he had the opportunity to work some overtime but he was fearful of [losing eligibility] and that really, that kind of pulled on my heart. (High Point School Leader, 2016)*

**Table 3. Concerns Shared by Private Schools Participating in the Opportunity Scholarship Program**

| Concerns  | A Major Concern | A Minor Concern | Not a Concern |
|---|-----------------|-----------------|---------------|
| Future regulations that might come with participation                       | 0.39            | 0.47            | 0.14          |
| OS amount is not adequate to cover our school's cost of educating a student | 0.26            | 0.36            | 0.39          |
| OS will not increase with increases in the cost to educate students         | 0.21            | 0.52            | 0.27          |
| The effect of participation on our school's independence                    | 0.17            | 0.30            | 0.53          |
| OS students are not prepared for the academic rigor of our school           | 0.11            | 0.42            | 0.47          |
| Paperwork and reports that are required of participating schools            | 0.08            | 0.48            | 0.44          |
| Testing requirements  | 0.05            | 0.28            | 0.67          |
| Trouble finding room for new OS students                                    | 0.05            | 0.19            | 0.76          |
| Effect of participation on our school's admissions standards                | 0.05            | 0.18            | 0.76          |
| Effect of participation on our school's academic standards                  | 0.03            | 0.28            | 0.69          |
| Parental involvement from OS families                                       | 0.02            | 0.39            | 0.58          |
| OS students would have difficulty passing our admissions test               | 0.02            | 0.34            | 0.63          |
| Discipline and school safety as a result of admitting OS students           | 0.02            | 0.21            | 0.76          |
| Effect of participation on our school's character or identity               | 0.02            | 0.19            | 0.78          |
| Other concerns  | 0.31            | 0.11            | 0.57          |

*Note: n=178 private school respondents that participated in the North Carolina Opportunity Scholarship Program in 2015-16; OS = Opportunity Scholarship*

Focus group participants were also very forthcoming in expressing other concerns about the program—not only in terms of the state requirements but also in terms of the actual implementation and its longer-term sustainability.

Many of the concerns centered on the structure of the program and the state's commitment to providing enough administrative support to keep it running well:

*[The calendar] hasn't [worked] for us. . . January 1, we start taking applications for those children who would be starting with us in August. So the challenge is that if the Opportunity Scholarship folks are applying in February and then getting notified in March that they've received a scholarship . . . our seats have been filling up when we do a first notification in the first week of February. (Raleigh School Leader, 2016)*

*[T]he [state] director of the program was the one I ended up communicating with and still do communicate with her . . . which is helpful, but she shouldn't have to be that one person. . . [T]hey don't have enough staffing. (Raleigh School Leader, 2016)*

One of the most commonly-referenced challenges involved enrolling students mid-year. Because Opportunity Scholarships are awarded throughout the year until the state-allocated funding is depleted, some families don't receive notification that they've been awarded a scholarship until well after the school year has already begun. As a result, many students end up making the move from public to private school several months into the school year:

*[B]ringing [new OS students] in mid-year is oftentimes very difficult because . . . you have a student that's coming to you sometimes where they have two classes that are year-long . . . or three classes that are year-long and then two that are semester block here and then another two that are semester block over here . . . and so, sometimes . . . you look at the student and you say, "We can't get you a credit, come back to us in the fall." (High Point School Leader, 2016)*

*[T]he parent does not want to go ahead and enroll them in our school because they know that they cannot afford the tuition so they put it off as long as they can and here we are, you know, trying to figure out numbers, trying to figure out staffing and the parents are, "Well, I'm still waiting to hear from the scholarship." (Fayetteville School Leader, 2016)*

One requirement in particular—testing—remains a concern, even for schools that already have accepted the testing conditions for participation:

*We wouldn't participate if we were told . . . what tests to use. We would just have to pull out of it. . . [T]here is that kind of looming concern that eventually it will become the North Carolina End-of-Grade tests and it's not necessarily our curriculum, and it doesn't sync up with our curriculum. (Raleigh School Leader, 2016)*

Many schools were wary of the program's stability and remain concerned that they may run the risk of taking on a significant financial burden, if the program ends and they want to keep Opportunity Scholarship families in their schools:

*We had conversations about whether we should apply for the Opportunity Scholarship, and*

*understood that there would be a cap on the number of students we would accept using the scholarship, because if the money goes away, when the money goes away, what will we choose to use? Once we accept a family into our [school] family . . . we did not want to be in a position to have to say, “OK, 25 families that we love, you are part of the community, you volunteer in our kitchen, you come and help out and do all of these things, but now we have to say goodbye to you because that money is gone.” We recognized that we probably would not do that as a school, so we had to limit the number of people that we would accept using these scholarships to a number that we could afford to—if that money went away—supplement financially. (Wilson School Leader, 2014)*

Finally, a few school leaders acknowledged that they heard from some of their non-participating neighboring schools that one of their reasons for not participating has to do with concerns about increasing the size of the lower-income student population in their schools:

*Respondent: I think it’s the socio-economic question, and . . . I was, like, “Well, you know, everybody can have their opinions.” But I just kind of have gone over with them that we have not experienced any problems whatsoever.*

*Interviewer: So they’re concerned about a change in their student population?*

*Respondent: Yes. (Raleigh School Leader, 2016)*

*We have a lot of private Christian schools in [city], they don’t want low-income students in their schools, so they don’t want the Opportunity Scholarship, that’s the bottom line. (Raleigh School Leader, 2016)*

## **5. How do Participating Schools Perceive the Opportunity Scholarship Students, Relative to a “Typical” Student at that School?**

Our survey also asked respondents to share their perceptions of their Opportunity Scholarship students, relative to the typical student at their school. School leaders were asked to describe their satisfaction with students’ preparedness: 91% were satisfied with the preparation of the typical student at their school, and 80% were satisfied with the preparation of the Opportunity Scholarship students at their school. We had hypothesized that school leaders would perceive the Opportunity Scholarship students to be less well prepared than their fee-paying counterparts, which is borne out by the data. With a differential of just eleven percentage points, however, the size of the disparity is surprisingly small.

Focus group participants also stressed that some of their Opportunity Scholarship students are not always ready for the transition to their schools; incorporating these students into their schools often

involves helping them transition not only to a new academic environment but also to a different cultural and social environment:

*[L]ast year there was a lot of kids coming in with B's on report cards in math classes that came to our math classes and not have a clue of what was going on. (Fayetteville School Leader, 2016)*

*[T]ranscending even the testing is the work that's being done teaching these kids how to be good students, . . . teaching them how to learn respect and how to treat people. . . [W]e get kids that are coming ready to fight, who are disrespectful, who have no concept of how to behave in a classroom, unlike kids that come up through our system. (Fayetteville, School Leader, 2016)*

We also asked participating school leaders to share their perception of the involvement of the parents of Opportunity Scholarship students, relative to the involvement of parents of a typical student at their school. Satisfaction rates were very high across the board. Respondents indicated a 93 percent satisfaction rate with the parental involvement of the typical student and a 94 percent satisfaction with the parental involvement of the Opportunity Scholarship students, a difference that is not statistically significant.

## **6. What Actions Do School Leaders Take to Encourage Opportunity Scholarship Students to Enroll in Their School?**

We asked participating school leaders to describe any actions they may have taken to encourage Opportunity Scholarship Students to enroll in their school. The responses are presented in Table 4 and are ranked from most to least frequently selected.

Seventy percent of school leaders indicated that they promoted their school through traditional media (fliers, radio advertisements, advertisements in newspapers), on social media, or by using other methods of advertising. Approximately one-third (31 percent) of participating schools indicated that they encouraged greater parent involvement in school activities, and 28 percent reported that they added tutoring or other special services to help improve academic achievement, both in an effort to encourage enrollment.



**Table 4. Participating Schools' Efforts to Encourage Opportunity Scholarship Students to Enroll**

| Action  | Percent |
|---|---------|
| Fliers, Radio, Newspaper Ads  | 0.70    |
| Encouraged Greater Parent Involvement                                     | 0.31    |
| Adding Tutoring or Other Special Services to Improve Academic Achievement | 0.28    |
| Improved the Physical Appearance of Your School                           | 0.21    |
| Offered Additional Courses  | 0.15    |
| Altered Class Sizes   | 0.14    |
| Increased School Safety Procedures  | 0.09    |
| Adjusted Disciplinary Rules   | 0.03    |
| Other   | 0.20    |

*Note: n=178 participating schools; Respondents were permitted to select more than one action.*

Further, focus group findings indicated that some private schools provide potential parents with resources and application assistance for the Opportunity Scholarship program:

*[D]uring our admissions process when parents come out to find out about our school, we actually let the parents know, we give them information about the Opportunity Scholarship and show them . . . how to apply. If they need help applying, we actually set them up on a computer at our campus and allow them to apply there. (Raleigh School Leader, 2016).*

## **7. What Advice Do Non-Participating School Leaders Offer for Improving the Opportunity Scholarship Program?**

To better understand why some schools participate in the Opportunity Scholarship program while others opt out, we asked leaders in non-participating schools if there were any specific changes

to the Opportunity Scholarship Program that would increase their likelihood of participating in the program. Representative comments from this open-response item include:

*Better financial coverage of the academic costs of our school program.*

*Earlier deadlines! Late applicants will miss out on financial aid if they apply after February 1, and the OS will only cover 1/3 of the cost to attend. Our enrollment opens up 1 year in advance.*

*Our likelihood of participation would increase if the funding were released directly to the parents, or administered through individual state taxes.*

*Some of the requirements to participate in the program are too restrictive for our current students. [T]he requirement that they must have attended public school the previous year[] precludes our current students and their families in need.*

*We are a church-sponsored school and the leadership of the church does not support receiving state or federal funding of the school program. The church leadership want to avoid political entanglements to the education program and the church ministry.*

*seems a little challenging for ESL families to fill out.*

*Our small school can not afford many seats at such reduced rate at this point as we are so small - if a student[']s family can make up some of the difference in tuition we could make it work and I would welcome it. Right now we just can not afford it.*

*Aligning testing mandates with those of the dept. of non-public education, which are standardized testing at 3rd, 6th, 9th and 12th grades.*

## Conclusion

Analyses for this report uncovered interesting differences in the characteristics of participating and non-participating schools, which may help stakeholders to better understand and to develop plans to address potential private school supply logjams as the program expands. We explored the various influences on school participation in two ways—by comparing the characteristics of participating and non-participating schools through analysis of survey data, and by directly asking school leaders to share their concerns about the program.

## Key Themes

Survey data reveals that participating schools are more likely to have a religious orientation and are more likely to indicate that they emphasize college preparation. Non-participating schools, meanwhile, indicate that the top characteristic that distinguishes their school from nearby public schools is that their school requires less standardized testing. This suggests key differences in the types of schools enticed to participate in the program, as currently designed.

Survey responses also suggest that the decision to participate in the program may hinge on the weight an individual school gives to the various perceived benefits and costs of participation. For example, participating schools state that their primary reason for participation is to help them serve more disadvantaged students, while the most frequently selected factor explaining a school's non-participation decision was a concern about future regulations that might come with participation. In addition, a number of non-participating schools indicated in open-response questions that they had simply never heard of the program, which suggests a potential for growth in participation numbers as information about the program diffuses to a broader audience. Existing data on the learning channels currently in operation suggest a role for non-profit organizations in this regard. For instance, when asked how they heard about the program, roughly one-quarter of respondents selected the advocacy organization, Parents for Educational Freedom in North Carolina. Finally, several school leaders at non-participating schools indicated that they were politically opposed to accepting government funds through a program such as the Opportunity Scholarship program.

Leaders of participating schools are not without their own concerns, however; the top two concerns shared were worries that future regulations might become requirements for participating in the Opportunity Scholarship Program and concerns that the value of the opportunity scholarship will not increase on pace with increases in the cost to educate students.

Finally, the presence of the Opportunity Scholarship program may be influencing participating

schools' overall promotional efforts. With almost three-fourths of participating school leaders indicating that they promoted their school through the use of traditional media (e.g., fliers, radio advertisements, advertisements in newspapers) or on social media in an effort to make Opportunity Scholarship eligible families aware of their offerings.

## **Limitations**

Although every effort was made to generate a representative sample of school leaders across the state, it is certainly possible that all viewpoints are not represented by these findings. In addition, while these survey results provide valuable insights into schools' decision-making processes, because survey-takers typically represented only one decision-making individual at any given school, the responses cannot fully reflect the opinions and motivations of all of the decision-makers in that school (for instance, a school's board members). Finally, it is critical to keep in mind that many of the responses represent personal perceptions at the time the survey was taken and therefore are not necessarily reflective of objectively verifiable conditions or circumstances. Each of these limitations is typical of survey-based research, however, and we do not believe they significantly detract from the value of the information gained.

## **Future Research**

Many questions remain about the impacts of the Opportunity Scholarship Program and the experiences and perceptions of various groups that are affiliated with North Carolina's private school voucher program. For instance, a critically important stakeholder group that is not represented in these findings is parents. A future report will focus on the experiences and perceptions of parents who apply to the Opportunity Scholarship program for their children. What family characteristics are associated with participation? What are parents' perceptions of the participating schools? Are there access problems and, if so, what actions on the part of the state might mitigate such inequities in access? It is also important to examine how students are affected by this program, which will require an academic impact analysis and a competitive effects analysis. How does the achievement of participating and non-participating students change as a result of the program? Finally, what is the fiscal impact of the program? These questions and more represent fruitful avenues for future research.

## Acknowledgments

We would like to express our deep appreciation to the principals, assistant principals, administrators, school board members, and others who participated in this study, particularly for their willingness to share insights into the common challenges and practices associated with being a private school, generally, and with participating in North Carolina's Opportunity Scholarship program, specifically.

We would also like to extend our sincere appreciation to state-level partners including the State Education Assistance Authority (SEAA), which provided background information about the program; Parents for Educational Freedom in North Carolina (PEFNC), which provided valuable assistance with focus group recruitment and logistics; and the Division of Non-Public Education, which provided contact information for all private schools across the state.

Finally, we are deeply appreciative of our North Carolina State University research team who contributed to this study by providing assistance with school recruitment and communication, logistics, instrument development, interviewing, surveying, background research, data entry, data analysis, writing, and report production:

- Stephen Porter
- Drew Goodson
- Avril Smart
- Harsh Parikh
- Caitlyn Graovac
- Jonathan Bryan
- Sindhoora Kommineni
- Kamakshi Gupta
- Natchanan Kiatrungwilaikun
- Sourabh Naukudkar
- Blythe Tyrone

## About the Authors

**Anna J. Egalite** is an assistant professor in the Department of Educational Leadership, Policy, and Human Development at North Carolina State University. Her research focuses on the evaluation of education policies and programs intended to close racial and economic achievement gaps.

**Ashley Gray** is a Ph.D. student of Educational Research and Policy Analysis in the Higher Education Program at North Carolina State University. She works as Graduate Research Assistant in Assessment with University Housing and Campus Life at NC State. She received her Masters of higher education from Washington State University and her Bachelor of Arts from the University of North Carolina- Asheville in Environmental Justice.

**Trip Stallings** is Director of Policy Research at the William and Ida Friday Institute for Educational Innovation, College of Education, North Carolina State University. His research focuses on the development, implementation, and impact of state-level policy initiatives.

*The cover photo is courtesy of Allison Shelley/The Verbatim Agency for American Education: Images of Teachers and Students in Action.*