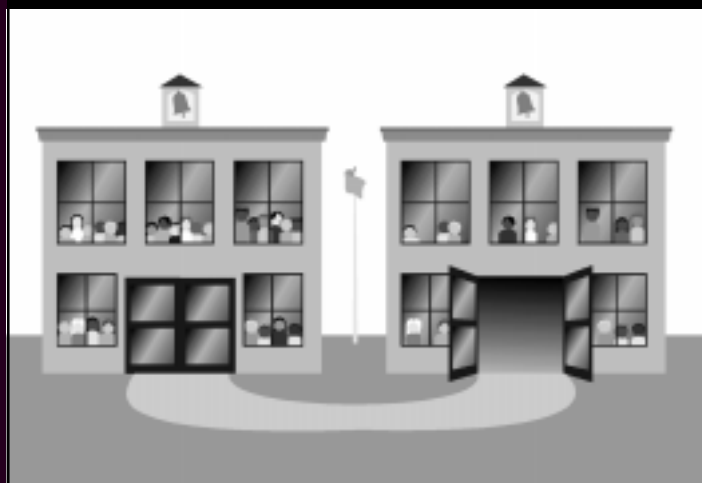


March 1999



A Mackinac Center Report

# Unused Capacity in Privately Funded Michigan Schools

Matthew J. Brouillette

**Survey of Excess School Capacity to Help Ease Overcrowded  
Classrooms and Accommodate School Choice**



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# Unused Capacity in Privately Funded Michigan Schools

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## Executive Summary

Proponents of education reform in Michigan are exploring various proposals for fixing perceived public education ills such as school overcrowding and schools' lack of incentives to improve student performance.

Some reformers have suggested that private schools could be used to reduce student overcrowding in public schools without the need for new taxes to construct additional schools. "Excess" public school students, they argue, could simply be transferred to existing, privately funded schools to help reduce class sizes and maximize available resources.

Other reformers have proposed to introduce market incentives into education by reducing, through vouchers or tax credits, the financial barriers to parents' ability to choose from a full range of government- or privately funded schools.

But both of these proposals depend upon the ability and willingness of privately funded schools to accommodate additional students. To date, little research has been done to determine whether or not private schools 1) have the resources and capacity to take on more students and 2) would be willing to participate in reform proposals that would require them to take on more students.

In summer 1998, the Mackinac Center for Public Policy conducted a survey of privately funded schools in Michigan to determine the number of additional students the schools could accommodate for the 1998-99 school year and beyond. Questionnaires were mailed to each of the state's 1,058 privately funded schools and results were gathered from 342 of them (32.3 percent) to reveal that privately funded schools in fact could have accommodated more than three percent of Michigan's public school enrollment in the 1998-99 school year. Responding schools also reported a willingness and ability to accommodate additional students and to expand in the future if demand justified it.

Conservative projections based on the survey data indicate that Michigan privately funded schools could have accommodated a total of more than 55,000 additional students over their 1998-99 enrollments. The results of the survey suggest that proposals to expand parental choice in education or use privately funded schools to ease overcrowding in government schools could be both practical and efficient.

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# Unused Capacity in Privately Funded Michigan Schools

by Matthew J. Brouillette

## Introduction

Proponents of education reform in Michigan have explored various proposals to solve some of the most pressing problems facing the state's public school system. Two of those problems are a lack of adequate incentives for schools to improve and student overcrowding.

School choice advocates have proposed to introduce market incentives into education by reducing political and financial barriers to parents' ability to choose among a full range of government- or privately funded schools. According to this proposal, the resulting competition for student "customers" would spur all schools to improve. Public schools that lost students to privately funded ones would have to innovate to retain students and the state funding that goes with them.

Reformers concerned about student overcrowding have suggested that private schools could be used to reduce the load on the public school system without the need for new taxes to construct additional government schools. "Excess" students from public schools could be transferred over to existing, privately funded schools to help reduce class sizes and maximize resources.

Both of these proposals, however, are predicated on the ability and willingness of privately funded schools to accommodate additional students. To date, little research has been done to determine whether or not private schools 1) have the resources and capacity to take on more students, and 2) would be willing to participate in proposals to reduce public school overcrowding or expand their facilities to accept a growing number of families empowered with the ability to choose schools outside of the public system.

The findings of this Mackinac Center for Public Policy study reveal that privately funded schools in fact could have accommodated nearly 56,000 additional students, or more than three percent, of Michigan's public school enrollment in the 1998-99 school year. These same schools also reported a willingness and ability to accommodate additional students and to expand in the future if demand required it.

The results of the study suggest that proposals to expand parental choice in education or use privately funded schools to ease overcrowding in government schools could be both practical and efficient.

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## Methodology

### COLLECTION OF THE DATA

The Mackinac Center conducted a summer 1998 survey to determine the number of additional students that privately funded schools in Michigan could accommodate for the 1998-99 school year and beyond. Questionnaires were mailed to each of the state's 1,058 privately funded schools.<sup>1</sup>

Each school was asked its position on school choice proposals and to provide information on the current makeup of its faculty, staff, and student body. Schools were also asked if they would be willing and able to expand their capacity to meet increased student demand over the next four years.

### VALIDITY OF THE DATA

The Mackinac Center for Public Policy received 325 self-selecting, self-reported responses via post. Seventeen schools that did not return the mailed survey were interviewed via telephone to determine whether data from the 325 mailed responses could be considered representative of Michigan's privately funded school population in general. Data from the seventeen telephone interviews indicated little difference between survey respondents and nonrespondents in the number of open seats available to new students.

The 342 schools that participated in the study represent nearly one-third (32.3 percent) of all privately funded schools in Michigan. It was therefore determined that the information provided by the reporting schools could be used to make a realistic projection of the total number of additional students that all privately funded schools in the state of Michigan could have accommodated during the 1998-99 school year. (No attempt was made to determine capacity by grade level.)

## Results

### 1. SURVEYED SCHOOLS SAID THEY COULD HAVE ACCOMMODATED ADDITIONAL STUDENTS IN THE 1998-99 SCHOOL YEAR

Survey results show that Michigan's privately funded schools could have accommodated tens of thousand of additional students during the 1998-99 school year. The 342 schools participating in this study indicated that they had room for an additional 20,603 students (see Table 1, next page). Many of these schools also indicated that they were operating below their full capacity and willing to enroll more students.

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<sup>1</sup> A breakdown of privately funded schools in Michigan according to affiliation is presented in the Appendix on page 9.

**Table 1 – Reported Open Seats in Michigan Privately Funded Schools  
(1998-99 School Year)**

Privately Funded School Affiliation	Total Number of Schools	Number of Schools Reporting	Percent of Schools Reporting	Number of Reported Open Seats
Catholic	347	155	44.7	10,973
Christian Schools International	70	38	54.3	3,515
Lutheran	157	80	51.0	3,317
Non-Sectarian	138	9	6.5	143
Other Sectarian	290	46	15.9	2,335
Seventh Day Adventist	56	14	25.0	320
<b>All</b>	<b>1,058</b>	<b>342</b>	<b>32.3</b>	<b>20,603</b>

2. PROJECTIONS INDICATE ALL PRIVATELY FUNDED SCHOOLS IN MICHIGAN COULD HAVE ENROLLED OVER 55,000 ADDITIONAL STUDENTS IN THE 1998-99 SCHOOL YEAR

Based on survey results, the Mackinac Center for Public Policy projected classroom space for an additional 55,744 students in all of the state's privately funded schools during the 1998-99 school year (see Table 2, below). This is well above projected need calculated by one school choice proposal, which estimates only 33,000 additional students would need to be accommodated at nongovernment schools for its program to be fully implemented.<sup>2</sup>

**Table 2 – Projected Open Seats in Michigan Privately Funded Schools  
(1998-99 School Year)**

Privately Funded School Affiliation	Total Number of Schools	Projected Number of Open Seats
Catholic	347	24,565
Christian Schools International	70	6,475
Lutheran	157	6,510
Non-Sectarian	138	2,193
Other Sectarian	290	14,721
Seventh Day Adventist	56	1,280
<b>All</b>	<b>1,058</b>	<b>55,744*</b>

\* This total is the result of the more conservative of two methods to calculate projected open seats. The other method blends all six types of privately funded schools and suggests 63,737 available seats.

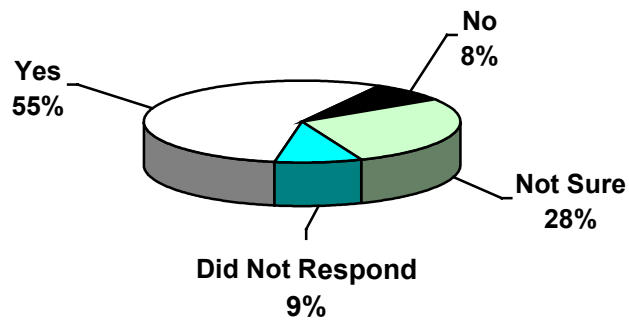
<sup>2</sup> Patrick L. Anderson, Richard McLellan, Joseph P. Overton, and Gary Wolfram, *The Universal Tuition Tax Credit: A Proposal to Advance Parental Choice in Education*, November 1997. Accessible by Internet: <http://www.mackinac.org/studies/s97-04.htm>.

**3. PRIVATELY FUNDED SCHOOLS ARE WILLING TO ENROLL ADDITIONAL STUDENTS AND EXPAND TO ACCOMMODATE FUTURE DEMAND**

The majority of the 342 surveyed schools not only responded that they could immediately accommodate additional students, but they also said that they were willing and able to expand their facilities to accommodate additional students, if and when future demand required it (see Chart 1, below).

**Chart 1 – Privately Funded Schools' Willingness to Accommodate Additional Students**

Survey of 342 schools  
 "Would your school be willing and able to expand its capacity to meet increased demand?"



Of the schools that said they were unwilling or unable to expand, the majority qualified their answers. Most responded either that they were limited in their ability to expand existing facilities or that they preferred the current small size of their student body.

Schools willing and able to expand indicated that they were “prepared to grow according to demand” and that they could “make necessary adjustments to handle large influxes of students without sacrificing” educational quality.

**4. PRIVATELY FUNDED SCHOOLS IN MICHIGAN COULD HELP EASE STUDENT OVERCROWDING IN GOVERNMENT-FUNDED SCHOOLS**

The U. S. Department of Education projects that many school districts will experience student overcrowding in the next decade, with K-12 enrollment at government-funded schools increasing three percent between 1998 and 2008.

Many urban and suburban Michigan districts are already experiencing overcrowded conditions in their schools. Some policy makers have suggested that privately funded schools could alleviate the problem by accepting students from overcrowded public schools. Proposals to facilitate this include tuition reimbursement (vouchers) or tuition tax credits, each of which would reduce financial barriers that prevent many students from attending privately funded schools.

In 1997, Congress asked the U. S. Department of Education to study the benefits and costs of, and barriers to, using privately funded schools to help alleviate overcrowding in government-funded schools. The Department examined 22 urban communities across the country and found that privately funded schools could, in fact, ease enrollment in overcrowded government schools by as much as four percent. Mackinac Center for Public Policy research of privately funded Michigan schools (see Table 3, below) supports the Department of Education's findings.

**Table 3 – Reported and Projected Open Seats in Michigan Privately Funded Schools Based on Selected Zip Codes (1998-99 School Year)**

<b>Privately Funded Schools in the City of ...</b>	<b>Total Number of Schools</b>	<b>Number of Schools Reporting</b>	<b>Percent of Schools Reporting</b>	<b>Number of Reported Open Seats</b>	<b>Projected Number of Open Seats</b>
Detroit	138	35	25.4	2,667	10,500
Lansing	16	11	68.8	654	951
Grand Rapids	53	23	43.4	3,120	7,189
Flint	28	8	28.6	534	1,867
Traverse City	10	6	60.0	165	275
Kalamazoo	20	7	35.0	630	1,800
Jackson	12	8	66.7	475	713
Muskegon	14	2	14.3	130	909
Warren	11	2	18.2	146	802
Dearborn	10	5	50.0	322	644
Dearborn Heights	8	6	75.0	326	435

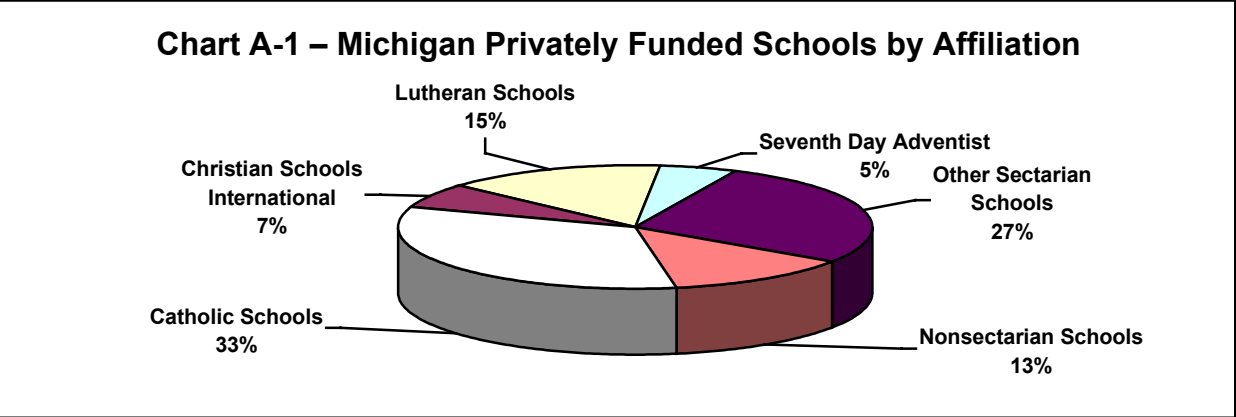
## Conclusion

As Michigan policy makers and citizens debate various proposals for educational reform, they should keep in mind that the state's vibrant array of privately funded schools is both willing and able to accept a larger and more active role in providing children with quality education. Survey results and projections based on those results indicate that privately funded religious and nonsectarian schools would have the capacity to participate in programs to relieve student overcrowding in the public school system or to expand parents' ability to choose private or government education for their children. Reforms that make effective use of excess capacity in Michigan's privately funded schools will be able to tap into the full potential of diverse educational opportunities available throughout the state, while avoiding or delaying costly capacity expansions to the existing government K-12 education system.



## Appendix: Variety of Michigan Privately Funded Schools

The vast majority of privately funded schools in Michigan are religious, or sectarian. Catholic, Lutheran and other Protestant denominational, and nondenominational schools collectively represent over 87 percent of the total. Secular, or nonsectarian, schools comprise only 13 percent. Below is a breakdown, by affiliation, of Michigan’s many privately funded schools.



**Table A-1 – Michigan Privately Funded Schools**

Michigan Privately Funded Schools	Number of Schools
<b>Catholic Schools (Total):</b>	<b>347</b>
Archdiocese of Detroit:	170
Diocese of Gaylord:	20
Diocese of Grand Rapids:	44
Diocese of Kalamazoo:	25
Diocese of Lansing:	44
Diocese of Marquette:	10
Diocese of Saginaw:	34
<b>Christian Schools International (Total):</b>	<b>70</b>
<b>Lutheran Schools (Total):</b>	<b>157</b>
Missouri Synod:	108
Wisconsin Synod:	49
<b>Seventh Day Adventists Schools (Total):</b>	<b>56</b>
Michigan Conference:	54
Lake Region Conference:	2
<b>Other Sectarian Schools (Total):</b>	<b>290</b>
Baptist Schools:	58
Other Religious Schools:	232
<b>Non-Sectarian Private Schools (Total):</b>	<b>138</b>
Private Secular Schools:	110
Independent Day Schools:	20
Boarding Schools:	8
<b>All Schools</b>	<b>1,058</b>

*Source: 1998 Michigan Education Directory*

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