Fiscal Analysis of the West Virginia Hope Scholarship Program: Year 2 Results

Marty Lueken, Director of the Fiscal Research and Education Center
Cooper Conway, Research Assistant for the Fiscal Research and Education Center

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Executive Summary

This brief conducts a fiscal analysis of the West Virginia Hope Scholarship Program for FY 2024, the program's second year in operation. The analysis estimates the net fiscal effects of the program on state and local taxpayers statewide and for each school district. It also provides fiscal context and basic data to help inform the potential financial impact on school districts.

Key findings from the analysis are as follows:

- The Hope Scholarship Program grew from 2,333 students in FY 2023 to 5,443 students in FY 2024, representing an increase from 0.9% to 2.4% of total public school enrollment.
- The maximum Hope Scholarship award in FY 2024 was $4,489, which is only 27.2% of the $16,500 average funding per pupil for WV public schools.
- Total funding for Hope was $24.4 million in FY 2024, representing 0.6% of the $4.2 billion in funding for WV public schools.
- The program generated an estimated net cost of $637,412 in FY 2024. This amount represents 0.003% of total state expenditures on all public services and 0.02% of total funding from all sources for WV public schools.
- Public school districts experienced a total estimated revenue reduction of $24,433,627 but despite this revenue reduction, 99.53% of public school funding remained intact statewide after students transferred to the Hope program. All districts maintained at least 98.73% of their budgets after students left for the Hope program.
- As a result of Hope, resources available to students who remained in WV public schools increased by $269 for each remaining student.
- The Hope program generated $26.9 million in net fiscal benefits for West Virginia local taxpayers in FY 2024.

Introduction

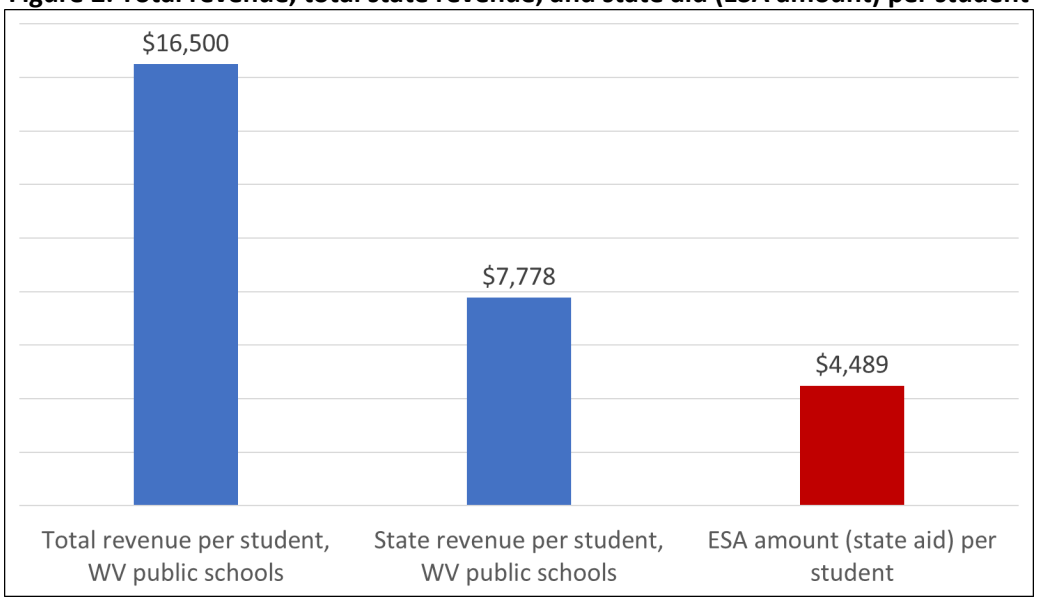
This brief conducts a fiscal analysis of the West Virginia Hope Scholarship Program for FY 2024, the program's second year in operation. The analysis estimates the net fiscal effects of the program on state and local taxpayers statewide and for each school district. It also provides fiscal context and basic data to help inform the potential financial impact on school districts.

West Virginia K-12 Public School Funding

Most states use some form of a student weighted funding formula where funds are allocated to school districts based on student counts and characteristics. In contrast, West Virginia uses a primarily resource-based school funding formula, meaning that public schools are largely funded based on perceived resource needs (e.g., teacher salaries, classroom materials, and support services). This creates a challenge for estimating the fiscal effect of a policy that induces shifts in public school enrollments, such as the Hope Scholarship program, because dollars don't change directly proportionally with in student enrollment.

Figure 2 how funding for WV public schools compares to funding for Hope. The Hope scholarship amount is equal to the previous year's statewide average of the per-pupil amount of net state aid. This amount was $4,489 for FY 2024.[1] This amount is less than total state funding per pupil ($7,778 for FY 2024) and just 27.2% of the average total revenue per student ($16,676 for FY 2024). Because funding is largely not based directly on students, districts retain a significant portion of a child's total per-pupil revenue when he or she switches from a public school to a private school via the Hope program.

Figure 2: Total revenue, total state revenue, and state aid (ESA amount) per student



[1] West Virginia State Treasurer's Office, "Hope Scholarship Annual Report for the 2023-2024 Academic Year," https://hopescholarshipwv.com/Portals/HopeScholarship/content/Documents/Reports/Hope%20Scholarship%2023-24%20Annual%20Report.pdf?ver=ZuPbIS1dYgDZkPhFJseMEQ%3d%3d

The analysis assumes that when students switch from public schools to private schools, state funding is reduced for districts by the net state aid amount of $4,489. This reduction represents a cost for districts and savings for the state when students switch from public schools via Hope.[2]

Overview of participation and costs for Hope and WV public schools

Table 1 presents basic data about the Hope program and WV public schools. In FY 2024, 5,443 students participated in the Hope program while K-12 enrollment in WV public schools was 231,455. This participation in Hope represents 2.4% of K-12 public school enrollment. The total cost for Hope scholarships in FY 2024 was $24,432,647, which represents 0.6% of the $4.1 billion in total revenue for WV public schools.

The participation share in individual counties for Hope ranged from 0.15% to 5.22% while the funding share ranged from 0.03% to 1.27%. Logan County schools experienced the highest participation and cost shares for Hope: 5.22% of public school students participated in Hope while just 1.27% of total revenue funded the Hope program. Table A1 in Appendix A provides this information at the district level.

The per-pupil cost of the Hope program of $4,489 represents 27.2% of the $16,500 in average total funding for WV public schools. This large funding gap implies significant fiscal benefits accrue to West Virginia taxpayers when students switch or are diverted from public schools via Hope.

Table 1: Enrollment and funding for Hope Scholarship Program and West Virginia Public Schools, FY 2024

	Hope	WV public schools	Hope share
FY 2023			
K-12 Students	2,333	253,930	0.9%
Total funding*	$9,188,026	$3,981,286,000	0.2%
Funding per student**	$4,299	$15,679	27.4%
FY 2024			
K-12 Students	5,443	231,455	2.4%
Total funding*	$24,432,647	$4,149,070,392	0.6%
Funding per student**	$4,489	$16,500	27.2%

Sources: West Virginia State Treasurer's Office; West Virginia Department of Education; U.S. Department of Education, National Center for Education Statistics.

* Total funding for Hope reflects funds transferred to student accounts for the school year. Total funding for public schools reflects funding from local, state, and federal sources.

** Total per-pupil revenue for public school reflects students in all grades (PK-12)

[2] A very small number of students leaving a public school, or a group of students spread across many grades, may trigger a reduction in state aid per student that is less than the statewide average. This will mean lower savings for the state and larger benefit for districts. Conversely, a larger number of students may trigger a reduction in state aid that exceeds the statewide average. This will mean greater savings for the state and a smaller benefit for school districts. Any difference between this assumption about state aid and actual fiscal experience will be very small in the context of districts' budgets, which range from about $16 million to $455 million in West Virginia and averages $76 million.

Fiscal Analysis – State Net Fiscal Effects on State and Local Taxpayers

The net fiscal impact of an educational choice program on taxpayers is determined by the mix of "switchers" and "non-switchers." Switchers are students who would enroll in a public school if not for financial assistance from the Hope scholarship program. These students generate savings for taxpayers because they are no longer enrolled in public schools. To be eligible for a Hope scholarship, students either must have been enrolled in a public school during the prior year or be in kindergarten. Thus, kindergarten students are exempt from the public school prior enrollment requirement, meaning that some of these students may not be switchers. To account for the likelihood that some kindergarten students are "non-switchers," the analysis assumes that 90% of Hope students who are exempt from the public school prior enrollment requirement (i.e., kindergarten students) are switchers. This assumption is informed by a body of random assignment studies on private school voucher programs, which shed light on likely switcher rates. These studies examine real-world scholarship programs that were oversubscribed, requiring scholarships to be awarded through lotteries. Among students who lost the lottery and did not receive a scholarship, approximately 90% enrolled in a public school the following year. This suggests that, had they won, about 90% would have switched from a public to a private school—making them "switchers." Given the consistency of this 90% figure across multiple programs and states, it serves as a reasonable and evidence-based estimate for the switcher rate used in this report.[3]

Impact on state taxpayers

The formula used to estimate the fiscal impact on state taxpayers is:

State Net Fiscal Impact = Cost of Hope program —Savings from ESA students who are switchers

For a discussion about the methodology for estimating fiscal effects of choice programs, please see Lueken (2024).[4]

For FY 2024, the scholarship amount was $4,489 for each student. Thus, the cost of the Hope program is this amount multiplied by the number of scholarship students.

Cost of Hope program for FY 2024 = 5,443 Hope students x $4,489 = $24,433,627

Because the school funding formula is not a student-based formula, as with most states, the analysis must make an assumption about how state revenue is reduced when student enrollment changes. We assume that state revenue decreases by the per-pupil net state aid amount of $4,489, which is the same

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[3] Robert M. Costrell (2008). *The Fiscal Impact of the Milwaukee Parental Choice Program in Milwaukee and Wisconsin, 1993-2008, Report #2*, School Choice Demonstration Project (SCDP Milwaukee Evaluation), University of Arkansas, https://scdp.uark.edu/the-fiscal-impact-of-the-milwaukee-parental-choice-program-in-milwaukee-and-wisconsin-1993-2008/; Martin F. Lueken (2020). The Fiscal Impact of K-12 Educational Choice: Using Random Assignment Studies of Private School Choice Programs to Infer Student Switcher Rates. *Journal of School Choice*, 15(2), 170–193. https://doi.org/10.1080/15582159.2020.1735863

[4] Martin F. Lueken (2024), *Fiscal Effects of School Choice: The costs and savings of private school choice programs in America through FY 2022*, Fiscal Research and Education Center, EdChoice, https://www.edchoice.org/wp-content/uploads/2024/10/Fiscal-Effects-2024.pdf

amount as the cost of an ESA. Under this assumption, there is no net fiscal impact on state taxpayers for switchers. As non-switchers do not generate savings for taxpayers, there will be a net cost of $4,489 per non-switcher.

As discussed in the previous section, because kindergarten students are exempt from the public school prior enrollment requirement, we assume that 90% of Hope students in kindergarten are switchers (i.e., 10% are "non-switchers"):

Number of non-switchers = 0.1 x 1,421 Hope students in kindergarten = 142 non-switchers

Total number of switchers = 5,443 total Hope students – 142 non-switchers = 5,301 switchers

Savings for state taxpayers is estimated as follows:

State savings for FY 2024 = 5,301 switchers x $4,489 = $23,795,235

The net fiscal impact on state taxpayers is a small net cost:

Net fiscal impact on state taxpayers for FY 2024 = $24,433,627 cost – $23,795,235 savings = $637,412 net cost

This net cost of $637,412 represents 0.003% of the $19.2 billion in total state expenditures on all public services.[5] It also represents just 0.02% of the $4.1 billion in total revenue that WV public school systems receive from all sources.[6]

Impact of Hope on public school revenue

Critics of educational choice programs like Hope frequently express concerns about these programs "draining" or "siphoning" resources from public schools. While it is true that total revenue decreases when students leave for any reason, these claims are usually made without context.

To put these concerns in perspective, this section examines the amount of districts' budgets that remain intact after Hope students leave public schools. In this section, we look at this context from a statewide perspective. Table A2 in Appendix A provides this information for individual school districts.

In FY 2024, 5,443 students participated in the Hope program. Total revenue for districts for FY 2023 was $4.1 billion while the estimated total amount of revenue reduced for districts during FY 2024 was $24.4 million. This migration of Hope students from public schools left districts with $4.08 billion in total revenue, which represents 99.5% of total revenue before students left public schools. Thus, WV districts, on average, have 99.5% of their budgets remain intact after students left via Hope. For individual school districts, this percentage ranges from 98.73% to 99.9%.

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[5] National Association of State Budget Officers (2023), *2023 State Expenditure Report: Fiscal Years 2021-2023*, https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2023_State_Expenditure_Report-S.pdf

[6] To illustrate the potential fiscal impact under a lower switcher rate, applying a 50% switcher rate to Hope Scholarship recipients in kindergarten would yield a net state fiscal effect of $3.2 million—equivalent to 0.08% of the $4.1 billion in total public school revenue. This switcher rate is hypothetical and not based on available data or research.

As discussed previously, funding for WV public schools is largely based on factors other than student enrollment. Thus, the amount of resources per student increases for school districts when students leave. As a result of Hope, per-pupil revenue for WV public schools increased, on average, from $16,500 to $16,769, an average increase of $269 for each student who remained in public schools.

Fiscal effects of Hope on local taxpayers

Assessing the fiscal impact of WV's Hope program on local public school districts requires evaluating the short-term (year-to-year) variable costs of educating students in public schools. This involves determining how much a district's expenses would rise if a Hope student were to enroll in a public school instead. Put another way, variable cost-savings are the reduction in education costs experienced by districts when students leave public schools via the Hope program.

The literature identifies four methods for estimating variable costs in public schools, with three yielding nearly identical results. Using the most cautious approach among these different methods, I estimate the variable cost of educating an additional student in West Virginia public schools to be $9,434 for FY 2024. This figure represents 61.2% of the average total per-student cost in West Virginia public schools, which the WV DOE reports as $15,404 in FY 2023:[7]

Short-run variable cost per student = 0.612 × $15,404 = $9,434

Because the fourth estimation method produces significantly higher cost estimates, this adopts a more conservative approach. The methodology, outlined in Appendix B, is based on observed reductions in district expenditures following enrollment declines.

The present analysis uses the $9,434 estimate of the average short-run variable cost (average additional cost) for educating a student in the WV public school system to estimate the fiscal effects of students switching out of public schools via the Hope program. The net fiscal effect of Hope on local taxpayers compares the cost-savings from Hope students diverted from WV public schools with the reduction in revenue for WV public schools when Hope students leave. The first element in this calculation is the short-run variable cost-savings from not educating Hope students in WV public schools during FY 2024, calculated as follows:

Short-run variable cost-savings from Hope during FY 2024 = (5,443 Hope students) x ($9,434) = $51,351,770

The second element in the calculation is the amount of revenue reduced for public schools when students switch into the Hope program:

Reduction in state revenue for public schools in year 1 = (5,443 Hope students) x ($4,489) = $24,433,627

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[7] This estimate is based on the latest revenue data report available which we obtained from the WV DOE, where total expenditures for FY 2023 was $3,832,571,887 and total enrollment was 248,801. The FY 2024 revenue report was not issued at the time we completed the analysis.
West Virginia Department of Education, "County Boards of Education Total Revenues Classified by Source for the 2022-23 Year."

The net fiscal effect of the Hope program on public schools is the cost-savings (short-run variable savings) minus the reduction in state revenue from students diverted from public schools:

Net fiscal effect on local taxpayers, FY 2024 = ($51,351,770 variable cost-savings) — ($24,433,627 reduced state revenue) = $26,918,143 net savings for local taxpayers

Table A3 in Appendix A reports results at the district level.

Conclusion

This paper presents results from a fiscal analysis of the West Virginia Hope Scholarship program's second year. The net fiscal impact on the state is very small and negligible. As the program nearly doubled in number of participants from the program's first year, it remains a very small portion of the state's total budget. Furthermore, Hope generates significant fiscal benefits for local taxpayers while increasing per-pupil funding for students who remain in public schools. Moreover, district budgets remain largely intact. These findings suggest that, far from draining public school resources, the program helps optimize education funding by directing resources more efficiently.

Beginning with the 2026-27 school year, all West Virginia school-age children will be eligible for Hope Scholarships. As the program opens to students already enrolled outside the public school system, savings from the program may diminish when students from this population participate in the program as these students would represent a new cost for taxpayers without offsetting savings. The net fiscal impact will depend on different factors, including the make-up of switchers and non-switchers among Hope Scholarship students. As the program evolves, ongoing analysis will be essential to understanding its long-term fiscal and educational effects on West Virginia's students and taxpayers.

Appendix A: Tables of results by district

Table A1: Number of Hope students and ESA cost, by district, FY 2024

District	ESA students	Total K-12 public school students	ESA students as % of district enrollment	Total ESA cost	Total revenue for public schools	ESA funds as % of district's total revenue
BARBOUR COUNTY BOARD OF EDUCATION	27	1942	1.39%	$121,203	$29,286,356	0.41%
BERKELEY COUNTY SCHOOLS	439	18910	2.32%	$1,970,671	$290,212,179	0.68%
BOONE COUNTY SCHOOLS	28	2947	0.95%	$125,692	$59,051,672	0.21%
BRAXTON COUNTY SCHOOLS	14	1557	0.90%	$62,846	$27,162,347	0.23%
BROOKE COUNTY SCHOOLS	55	2216	2.48%	$246,895	$37,979,166	0.65%
CABELL COUNTY SCHOOLS	289	10727	2.69%	$1,297,321	$209,816,144	0.62%
CALHOUN COUNTY SCHOOLS	35	774	4.52%	$157,115	$17,386,035	0.90%
CLAY COUNTY SCHOOLS	8	1412	0.57%	$35,912	$24,907,996	0.14%
DODDRIDGE COUNTY SCHOOLS	2	1065	0.19%	$8,978	$28,312,698	0.03%
FAYETTE COUNTY SCHOOLS	179	5103	3.51%	$803,531	$94,373,603	0.85%
GILMER COUNTY SCHOOLS	20	720	2.78%	$89,780	$15,990,917	0.56%
GRANT COUNTY SCHOOLS	5	1523	0.33%	$22,445	$27,618,759	0.08%
GREENBRIER COUNTY SCHOOLS	123	4306	2.86%	$552,147	$80,327,133	0.69%
HAMPSHIRE COUNTY SCHOOLS	41	2593	1.58%	$184,049	$49,951,042	0.37%
HANCOCK COUNTY SCHOOLS	95	3167	3.00%	$426,455	$44,651,720	0.96%
HARDY COUNTY SCHOOLS	3	2037	0.15%	$13,467	$30,767,376	0.04%
HARRISON COUNTY SCHOOLS	254	9068	2.80%	$1,140,206	$165,388,065	0.69%
JACKSON COUNTY SCHOOLS	82	3779	2.17%	$368,098	$72,444,583	0.51%
JEFFERSON COUNTY SCHOOLS	249	7961	3.13%	$1,117,761	$140,926,042	0.79%
KANAWHA COUNTY SCHOOLS	720	22088	3.26%	$3,232,080	$455,459,493	0.71%
LEWIS COUNTY SCHOOLS	49	2203	2.22%	$219,961	$33,470,842	0.66%
LINCOLN COUNTY SCHOOLS	29	2685	1.08%	$130,181	$46,734,777	0.28%
LOGAN COUNTY SCHOOLS	236	4523	5.22%	$1,059,404	$83,121,228	1.27%
MARION COUNTY SCHOOLS	161	6928	2.32%	$722,729	$104,191,845	0.69%
MARSHALL COUNTY SCHOOLS	43	3921	1.10%	$193,027	$97,995,527	0.20%
MASON COUNTY SCHOOLS	35	3400	1.03%	$157,115	$64,205,164	0.24%
MERCER COUNTY SCHOOLS	131	7924	1.65%	$588,059	$143,723,326	0.41%
MINERAL COUNTY SCHOOLS	37	3669	1.01%	$166,093	$65,094,415	0.26%
MINGO COUNTY SCHOOLS	29	3214	0.90%	$130,181	$57,570,178	0.23%
MONONGALIA COUNTY SCHOOLS	278	10526	2.64%	$1,247,942	$179,543,049	0.70%
MONROE COUNTY SCHOOLS	36	1511	2.38%	$161,604	$21,392,918	0.76%
MORGAN COUNTY SCHOOLS	27	2021	1.34%	$121,203	$35,172,788	0.34%
NICHOLAS COUNTY SCHOOLS	62	3178	1.95%	$278,318	$62,998,674	0.44%
OHIO COUNTY SCHOOLS	235	4614	5.09%	$1,054,915	$97,288,943	1.08%

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Table A1: Number of Hope students and ESA cost, by district, FY 2024

District	ESA students	Total K-12 public school students	ESA students as % of district enrollment	Total ESA cost	Total revenue for public schools	ESA funds as % of district's total revenue
PENDLETON COUNTY SCHOOLS	10	786	1.27%	$44,890	$17,189,778	0.26%
PLEASANTS COUNTY SCHOOLS	8	975	0.82%	$35,912	$23,617,128	0.15%
POCAHONTAS COUNTY SCHOOLS	2	862	0.23%	$8,978	$20,156,945	0.04%
PRESTON COUNTY SCHOOLS	87	3703	2.35%	$390,543	$62,877,998	0.62%
PUTNAM COUNTY SCHOOLS	247	8391	2.94%	$1,108,783	$143,923,254	0.77%
RALEIGH COUNTY SCHOOLS	308	9948	3.10%	$1,382,612	$178,645,551	0.77%
RANDOLPH COUNTY SCHOOLS	43	3354	1.28%	$193,027	$48,866,216	0.40%
RITCHIE COUNTY SCHOOLS	10	1061	0.94%	$44,890	$23,296,388	0.19%
ROANE COUNTY SCHOOLS	30	1607	1.87%	$134,670	$30,912,627	0.44%
SUMMERS COUNTY SCHOOLS	26	1159	2.24%	$116,714	$26,309,043	0.44%
TAYLOR COUNTY SCHOOLS	44	2019	2.18%	$197,516	$26,980,379	0.73%
TUCKER COUNTY SCHOOLS	6	887	0.68%	$26,934	$17,672,918	0.15%
TYLER COUNTY SCHOOLS	6	1137	0.53%	$26,934	$35,766,269	0.08%
UPSHUR COUNTY SCHOOLS	65	3397	1.91%	$291,785	$58,018,048	0.50%
WAYNE COUNTY SCHOOLS	98	5711	1.72%	$439,922	$92,381,754	0.48%
WEBSTER COUNTY SCHOOLS	7	1059	0.66%	$31,423	$21,665,166	0.15%
WETZEL COUNTY SCHOOLS	5	2023	0.25%	$22,445	$52,072,508	0.04%
WIRT COUNTY SCHOOLS	15	839	1.79%	$67,335	$18,064,875	0.37%
WOOD COUNTY SCHOOLS	357	10746	3.32%	$1,602,573	$166,057,965	0.97%
WYOMING COUNTY SCHOOLS	13	3134	0.41%	$58,357	$46,345,844	0.13%
Statewide	**5,443**	**231,455**	**2.35%**	**$24,433,627**	**$4,105,337,654**	**0.60%**

Sources: West Virginia State Treasurer's Office; West Virginia Department of Education; U.S. Department of Education, National Center for Education Statistics.
Note: Because Hope students from McDowell county schools did not participate in Hope, the analysis excludes this district.

Table A2: Impact on district revenues when students leave via Hope program, FY 2024

District	ESA students	Total District Revenues 2022-23	Est. reduction in revenue for ESA students who leave public schools*	Budget after ESA students leave	% of budget kept intact after students leave	Per-pupil revenue before Hope students leave	Per-pupil revenue after Hope students leave
BARBOUR COUNTY BOARD OF EDUCATION	27	$29,286,356	$121,203	$29,165,153	99.59%	$13,641	$13,757
BERKELEY COUNTY SCHOOLS	439	$290,212,179	$1,970,671	$288,241,508	99.32%	$14,617	$14,846
BOONE COUNTY SCHOOLS	28	$59,051,672	$125,692	$58,925,980	99.79%	$18,529	$18,653
BRAXTON COUNTY SCHOOLS	14	$27,162,347	$62,846	$27,099,501	99.77%	$16,053	$16,150
BROOKE COUNTY SCHOOLS	55	$37,979,166	$246,895	$37,732,271	99.35%	$15,339	$15,585
CABELL COUNTY SCHOOLS	289	$209,816,144	$1,297,321	$208,518,823	99.38%	$18,108	$18,456
CALHOUN COUNTY SCHOOLS	35	$17,386,035	$157,115	$17,228,920	99.10%	$20,146	$20,808
CLAY COUNTY SCHOOLS	8	$24,907,996	$35,912	$24,872,084	99.86%	$15,432	$15,487
DODDRIDGE COUNTY SCHOOLS	2	$28,312,698	$8,978	$28,303,720	99.97%	$25,415	$25,453
FAYETTE COUNTY SCHOOLS	179	$94,373,603	$803,531	$93,570,072	99.15%	$16,989	$17,405
GILMER COUNTY SCHOOLS	20	$15,990,917	$89,780	$15,901,137	99.44%	$20,242	$20,651
GRANT COUNTY SCHOOLS	5	$27,618,759	$22,445	$27,596,314	99.92%	$17,144	$17,183
GREENBRIER COUNTY SCHOOLS	123	$80,327,133	$552,147	$79,774,986	99.31%	$17,223	$17,568
HAMPSHIRE COUNTY SCHOOLS	41	$49,951,042	$184,049	$49,766,993	99.63%	$17,840	$18,038
HANCOCK COUNTY SCHOOLS	95	$44,651,720	$426,455	$44,225,265	99.04%	$12,776	$13,007
HARDY COUNTY SCHOOLS	3	$30,767,376	$13,467	$30,753,909	99.96%	$14,049	$14,062
HARRISON COUNTY SCHOOLS	254	$165,388,065	$1,140,206	$164,247,859	99.31%	$16,595	$16,912
JACKSON COUNTY SCHOOLS	82	$72,444,583	$368,098	$72,076,485	99.49%	$17,537	$17,801
JEFFERSON COUNTY SCHOOLS	249	$140,926,042	$1,117,761	$139,808,281	99.21%	$16,793	$17,169
KANAWHA COUNTY SCHOOLS	720	$455,459,493	$3,232,080	$452,227,413	99.29%	$18,998	$19,447
LEWIS COUNTY SCHOOLS	49	$33,470,842	$219,961	$33,250,881	99.34%	$13,964	$14,161
LINCOLN COUNTY SCHOOLS	29	$46,734,777	$130,181	$46,604,596	99.72%	$15,885	$15,999
LOGAN COUNTY SCHOOLS	236	$83,121,228	$1,059,404	$82,061,824	98.73%	$16,247	$16,816
MARION COUNTY SCHOOLS	161	$104,191,845	$722,729	$103,469,116	99.31%	$14,093	$14,307
MARSHALL COUNTY SCHOOLS	43	$97,995,527	$193,027	$97,802,500	99.80%	$23,145	$23,336
MASON COUNTY SCHOOLS	35	$64,205,164	$157,115	$64,048,049	99.76%	$17,012	$17,130
MERCER COUNTY SCHOOLS	131	$143,723,326	$588,059	$143,135,267	99.59%	$16,790	$16,981
MINERAL COUNTY SCHOOLS	37	$65,094,415	$166,093	$64,928,322	99.74%	$16,409	$16,521
MINGO COUNTY SCHOOLS	29	$57,570,178	$130,181	$57,439,997	99.77%	$16,086	$16,180
MONONGALIA COUNTY SCHOOLS	278	$179,543,049	$1,247,942	$178,295,107	99.30%	$15,879	$16,166
MONROE COUNTY SCHOOLS	36	$21,392,918	$161,604	$21,231,314	99.24%	$13,124	$13,320
MORGAN COUNTY SCHOOLS	27	$35,172,788	$121,203	$35,051,585	99.66%	$16,142	$16,288

Table A2: Impact on district revenues when students leave via Hope program, FY 2024

District	ESA students	Total District Revenues 2022-23	Est. reduction in revenue for ESA students who leave public schools*	Budget after ESA students leave	% of budget kept intact after students leave	Per-pupil revenue before Hope students leave	Per-pupil revenue after Hope students leave
NICHOLAS COUNTY SCHOOLS	62	$62,998,674	$278,318	$62,720,356	99.56%	$18,176	$18,425
OHIO COUNTY SCHOOLS	235	$97,288,943	$1,054,915	$96,234,028	98.92%	$19,438	$20,175
PENDLETON COUNTY SCHOOLS	10	$17,189,778	$44,890	$17,144,888	99.74%	$19,873	$20,053
PLEASANTS COUNTY SCHOOLS	8	$23,617,128	$35,912	$23,581,216	99.85%	$21,747	$21,875
POCAHONTAS COUNTY SCHOOLS	2	$20,156,945	$8,978	$20,147,967	99.96%	$22,005	$22,044
PRESTON COUNTY SCHOOLS	87	$62,877,998	$390,543	$62,487,455	99.38%	$15,423	$15,661
PUTNAM COUNTY SCHOOLS	247	$143,923,254	$1,108,783	$142,814,471	99.23%	$15,977	$16,301
RALEIGH COUNTY SCHOOLS	308	$178,645,551	$1,382,612	$177,262,939	99.23%	$16,473	$16,823
RANDOLPH COUNTY SCHOOLS	43	$48,866,216	$193,027	$48,673,189	99.60%	$13,447	$13,554
RITCHIE COUNTY SCHOOLS	10	$23,296,388	$44,890	$23,251,498	99.81%	$18,757	$18,873
ROANE COUNTY SCHOOLS	30	$30,912,627	$134,670	$30,777,957	99.56%	$17,212	$17,428
SUMMERS COUNTY SCHOOLS	26	$26,309,043	$116,714	$26,192,329	99.56%	$20,145	$20,463
TAYLOR COUNTY SCHOOLS	44	$26,980,379	$197,516	$26,782,863	99.27%	$12,337	$12,498
TUCKER COUNTY SCHOOLS	6	$17,672,918	$26,934	$17,645,984	99.85%	$18,409	$18,497
TYLER COUNTY SCHOOLS	6	$35,766,269	$26,934	$35,739,335	99.92%	$28,613	$28,729
UPSHUR COUNTY SCHOOLS	65	$58,018,048	$291,785	$57,726,263	99.50%	$15,373	$15,564
WAYNE COUNTY SCHOOLS	98	$92,381,754	$439,922	$91,941,832	99.52%	$14,848	$15,013
WEBSTER COUNTY SCHOOLS	7	$21,665,166	$31,423	$21,633,743	99.85%	$18,252	$18,334
WETZEL COUNTY SCHOOLS	5	$52,072,508	$22,445	$52,050,063	99.96%	$23,498	$23,541
WIRT COUNTY SCHOOLS	15	$18,064,875	$67,335	$17,997,540	99.63%	$19,614	$19,865
WOOD COUNTY SCHOOLS	357	$166,057,965	$1,602,573	$164,455,392	99.03%	$14,225	$14,532
WYOMING COUNTY SCHOOLS	13	$46,345,844	$58,357	$46,287,487	99.87%	$13,144	$13,176
Statewide	**5,443**	**$4,105,337,654**	**$24,433,627**	**$4,080,904,027**	**99.53%**	**$16,500**	**$16,769**

Sources: West Virginia State Treasurer's Office; West Virginia Department of Education; U.S. Department of Education, National Center for Education Statistics.

* The analysis assumes that state revenue is reduced by the average Hope scholarship amount, or $4,489, for each student who leaves a public school via the Hope program.

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Table A3: Fiscal impact of Hope Scholarship Program on WV school districts, FY 2024

District	Est. reduction in revenue for ESA students who leave public schools*	Total expenditures per student	% of total expenditures that are variable costs in the short run	Short-run variable costs per student	Est. SR variable cost savings	Est. net fiscal effect from Hope on school districts (Savings - Costs)
BARBOUR COUNTY BOARD OF EDUCATION	$121,203	$12,407	61.7%	$7,658	$206,759	$85,556
BERKELEY COUNTY SCHOOLS	$1,970,671	$13,208	65.8%	$8,693	$3,816,312	$1,845,641
BOONE COUNTY SCHOOLS	$125,692	$15,624	60.6%	$9,462	$264,946	$139,254
BRAXTON COUNTY SCHOOLS	$62,846	$15,088	63.1%	$9,514	$133,200	$70,354
BROOKE COUNTY SCHOOLS	$246,895	$14,363	62.1%	$8,918	$490,517	$243,622
CABELL COUNTY SCHOOLS	$1,297,321	$16,375	62.3%	$10,197	$2,946,956	$1,649,635
CALHOUN COUNTY SCHOOLS	$157,115	$16,312	56.4%	$9,195	$321,815	$164,700
CLAY COUNTY SCHOOLS	$35,912	$15,779	58.2%	$9,181	$73,445	$37,533
DODDRIDGE COUNTY SCHOOLS	$8,978	$23,128	42.2%	$9,754	$19,508	$10,530
FAYETTE COUNTY SCHOOLS	$803,531	$15,578	61.2%	$9,536	$1,706,954	$903,423
GILMER COUNTY SCHOOLS	$89,780	$19,462	61.0%	$11,875	$237,497	$147,717
GRANT COUNTY SCHOOLS	$22,445	$13,895	56.8%	$7,898	$39,492	$17,047
GREENBRIER COUNTY SCHOOLS	$552,147	$15,514	63.4%	$9,842	$1,210,568	$658,421
HAMPSHIRE COUNTY SCHOOLS	$184,049	$14,833	63.0%	$9,342	$383,028	$198,979
HANCOCK COUNTY SCHOOLS	$426,455	$14,430	60.7%	$8,758	$831,963	$405,508
HARDY COUNTY SCHOOLS	$13,467	$13,511	65.6%	$8,866	$26,597	$13,130
HARRISON COUNTY SCHOOLS	$1,140,206	$15,139	62.8%	$9,502	$2,413,382	$1,273,176
JACKSON COUNTY SCHOOLS	$368,098	$15,798	64.3%	$10,159	$832,998	$464,900
JEFFERSON COUNTY SCHOOLS	$1,117,761	$14,853	62.9%	$9,337	$2,324,915	$1,207,154
KANAWHA COUNTY SCHOOLS	$3,232,080	$16,522	53.2%	$8,785	$6,325,239	$3,093,159
LEWIS COUNTY SCHOOLS	$219,961	$14,525	63.3%	$9,195	$450,539	$230,578
LINCOLN COUNTY SCHOOLS	$130,181	$15,129	63.7%	$9,641	$279,583	$149,402
LOGAN COUNTY SCHOOLS	$1,059,404	$15,360	64.5%	$9,913	$2,339,520	$1,280,116
MARION COUNTY SCHOOLS	$722,729	$14,726	63.7%	$9,380	$1,510,192	$787,463
MARSHALL COUNTY SCHOOLS	$193,027	$19,084	60.8%	$11,610	$499,242	$306,215
MASON COUNTY SCHOOLS	$157,115	$14,489	65.0%	$9,424	$329,857	$172,742
MERCER COUNTY SCHOOLS	$588,059	$15,021	59.9%	$8,999	$1,178,810	$590,751
MINERAL COUNTY SCHOOLS	$166,093	$14,575	61.5%	$8,960	$331,530	$165,437
MINGO COUNTY SCHOOLS	$130,181	$15,467	61.2%	$9,472	$274,687	$144,506
MONONGALIA COUNTY SCHOOLS	$1,247,942	$15,119	62.7%	$9,476	$2,634,336	$1,386,394
MONROE COUNTY SCHOOLS	$161,604	$15,868	65.0%	$10,314	$371,294	$209,690
MORGAN COUNTY SCHOOLS	$121,203	$14,814	65.6%	$9,717	$262,362	$141,159

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Table A3: Fiscal impact of Hope Scholarship Program on WV school districts, FY 2024

District	Est. reduction in revenue for ESA students who leave public schools*	Total expenditures per student	% of total expenditures that are variable costs in the short run	Short-run variable costs per student	Est. SR variable cost savings	Est. net fiscal effect from Hope on school districts (Savings - Costs)
NICHOLAS COUNTY SCHOOLS	$278,318	$15,027	65.1%	$9,775	$606,040	$327,722
OHIO COUNTY SCHOOLS	$1,054,915	$17,534	53.8%	$9,426	$2,215,196	$1,160,281
PENDLETON COUNTY SCHOOLS	$44,890	$20,713	53.8%	$11,134	$111,336	$66,446
PLEASANTS COUNTY SCHOOLS	$35,912	$16,745	58.7%	$9,829	$78,635	$42,723
POCAHONTAS COUNTY SCHOOLS	$8,978	$19,643	56.7%	$11,140	$22,281	$13,303
PRESTON COUNTY SCHOOLS	$390,543	$13,133	66.7%	$8,763	$762,364	$371,821
PUTNAM COUNTY SCHOOLS	$1,108,783	$14,507	64.3%	$9,324	$2,302,937	$1,194,154
RALEIGH COUNTY SCHOOLS	$1,382,612	$15,124	58.8%	$8,895	$2,739,618	$1,357,006
RANDOLPH COUNTY SCHOOLS	$193,027	$13,290	65.2%	$8,665	$372,608	$179,581
RITCHIE COUNTY SCHOOLS	$44,890	$19,609	56.7%	$11,121	$111,212	$66,322
ROANE COUNTY SCHOOLS	$134,670	$13,373	62.2%	$8,314	$249,421	$114,751
SUMMERS COUNTY SCHOOLS	$116,714	$16,614	60.9%	$10,116	$263,006	$146,292
TAYLOR COUNTY SCHOOLS	$197,516	$15,279	65.8%	$10,059	$442,589	$245,073
TUCKER COUNTY SCHOOLS	$26,934	$15,860	62.7%	$9,942	$59,650	$32,716
TYLER COUNTY SCHOOLS	$26,934	$23,567	53.3%	$12,562	$75,373	$48,439
UPSHUR COUNTY SCHOOLS	$291,785	$13,640	61.6%	$8,404	$546,263	$254,478
WAYNE COUNTY SCHOOLS	$439,922	$14,532	64.5%	$9,375	$918,784	$478,862
WEBSTER COUNTY SCHOOLS	$31,423	$17,099	64.4%	$11,015	$77,104	$45,681
WETZEL COUNTY SCHOOLS	$22,445	$24,887	63.7%	$15,855	$79,273	$56,828
WIRT COUNTY SCHOOLS	$67,335	$18,066	61.3%	$11,073	$166,096	$98,761
WOOD COUNTY SCHOOLS	$1,602,573	$14,951	65.2%	$9,749	$3,480,254	$1,877,681
WYOMING COUNTY SCHOOLS	$58,357	$16,044	64.1%	$10,281	$133,654	$75,297
Statewide	**$24,433,627**	**$15,404**	**61.2%**	**$9,434**	**$51,351,770**	**$26,918,143**

Sources: West Virginia State Treasurer's Office; West Virginia Department of Education; U.S. Department of Education, National Center for Education Statistics.

* The analysis assumes that state revenue is reduced by the average Hope scholarship amount, or $4,489, for each student who leaves a public school via the Hope program.

Appendix B: Short-run variable costs

Scafidi (2012) analyzed school district spending patterns in states that experienced enrollment declines for reasons unrelated to school choice.[8] His study estimated the proportion of school costs that are variable in the short run, which he defined as a single year-over-year period. Using publicly available expenditure data across twelve cost categories, he identified which spending areas decreased at a rate greater than the corresponding decline in student enrollment. For example, if a district's student population shrank by 1% in a given year, his analysis pinpointed the cost categories where spending reductions exceeded 1%.

The study found that when districts lost students, they adjusted budgets primarily by cutting expenditures in instruction, student support, instructional staff support, food service, and enterprise operations. Notably, in West Virginia, these categories accounted for 69.8% of per-student spending, indicating that a substantial share of school expenditures is variable, even in the short term. For a detailed breakdown of these findings, see Scafidi (2012).

Further supporting this point, Scafidi (2017) examined decades of staffing trends in public school districts, including those in West Virginia, and found that both teaching and non-teaching personnel grew at a much faster rate than student enrollment.[9] This pattern suggests that a significant portion of personnel costs should be classified as short-run variable expenses.

Lueken (2020) uses a slightly more conservative variation of Scafidi's method, treating only three of the five previously identified categories—instruction, student support, and instructional staff support—as short-run variable costs.[10] Our analysis adopts Lueken's approach.

Using financial data reported by the West Virginia Department of Education to the U.S. Department of Education, I estimate that 61.2% of total public school expenditures are variable in the short run. Based on this figure, the additional cost of educating a student who would

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[8] One subsequent study—Bifulco and Reback (2014)—produced estimates closely aligning with those of Scafidi (2012). Bifulco and Reback relied on their professional judgment to assess short-run variable costs. In contrast, Dorfman (2019) employed an econometric approach and arrived at a significantly higher estimate. Dorfman found that school districts adjust spending more dynamically in response to enrollment shifts than previous studies had suggested. If the present analysis had adopted Dorfman's higher estimate, it would have projected substantially greater fiscal savings for local taxpayers under the Hope program. However, to ensure a more cautious and conservative assessment, we based our calculations on a more cautious variation of Scafidi's estimate of variable costs.
Robert Bifulco and Randall Reback (2014). Fiscal Impacts of Charter Schools: Lessons from New York, Education Finance and Policy, 9(1), pp. 86-107, https://doi.org/10.1162/EDFP_a_00121; Jeffrey H. Dorfman (2019). *The Economics of Building a Voucher Or Educational Savings Account Program in Georgia*, Georgia Public Policy Foundation, https://www.georgiapolicy.org/wp-content/uploads/2019/02/190227IASchoolchoicefinal-min.pdf

[9] Benjamin Scafidi (2017). *Back to the Staffing Surge: The Great Teacher Salary Stagnation and the Decades-Long Employment Growth in American Public Schools*, EdChoice, https://www.edchoice.org/wp-content/uploads/2017/06/Back-to-the-Staffing-Surge-by-Ben-Scafidi.pdf

[10] Martin F. Lueken (2020). The Fiscal Impact of K-12 Educational Choice: Using Random Assignment Studies of Private School Choice Programs to Infer Student Switcher Rates. *Journal of School Choice*, 15(2), 170–193. https://doi.org/10.1080/15582159.2020.1735863

otherwise use a Hope scholarship and instead enroll in a public school can be calculated as follows:

Average total short-run variable costs per student = 0.612 x $16,500 = $9,434

This estimate—$9,434 per student—reflects the average increase in district costs when enrollment rises. This figure, however, likely errs on the side of caution. Scafidi (2012) found that districts historically reduced variable costs at a rate greater than their enrollment declines, implying that the actual proportion of short-run variable expenses could be even higher.

It is important to note that this 61.2% estimate is derived from real-world spending adjustments that districts made in response to enrollment declines not caused by school choice. In the long run, all costs become variable as districts adjust staffing levels, consolidate facilities, and make other structural changes.

For this report's fiscal analysis, I adopt the $9,434 statewide average for short-run variable costs in West Virginia public schools. This estimate is consistent with Scafidi (2012) and two other studies examining the topic. Although a fourth study suggests a significantly higher proportion of variable costs, we opted for the more conservative estimate to avoid overstating potential fiscal savings from the Hope program.