

Policy Brief

Wisconsin Institute for Law & Liberty



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The Case for School Choice in Rural Wisconsin

Introduction

Some may be surprised to learn that Wisconsin's lowest ranked school district is not Milwaukee Public School District - or even located in an urban area. It is Cambria-Friesland School District, according to the state report card,¹ located between Madison and Fond du Lac. Cambria has a population of 767 and average per capita income of around \$22,000. Proficiency rates in English/Language Arts are about 10% below state averages. In Math, 63% of Cambria's eighth grade students scored "Below Basic" (lowest category) on the Forward Exam (the state average is 27%).

But school options in Cambria are limited. Due to enrollment caps on the Wisconsin Parental Choice Program (WPCP), only 1%—or 4 students—in the district are eligible for a taxpayer funded voucher to attend a private school of their choice next year.²

In a different part of the state, a similar story exists in Flambeau School District in rural Rusk County, about 90 minutes north of Eau Claire.

Takeaways

1. **Poverty is not just a Milwaukee or urban issue.** 144,000 children in poverty attend rural/small town public schools in Wisconsin. Nearly 20% of rural/small town districts have at least 50% of students in the free and reduced lunch program.
2. **Students in rural/small town public schools, on average, perform worse than those in suburban schools and similar to those in urban schools on Forward Exam.** 1 in 4 students who graduate from rural schools require remediation in math classes. 31 of the 38 lowest performing districts (23,168 students) are from rural/small town districts.
3. **Students in rural Wisconsin do not have the same opportunity to access school choice as students in Milwaukee.** Only 1% of students in rural/small town Wisconsin are eligible for a school voucher compared to approximately 75% in Milwaukee.
4. **Supply exists.** 21% (171 total) of all Wisconsin private schools are in rural counties. But only 14% of these schools are in the WPCP. This is due to state law that limits the number of students eligible, restricts the number of students schools can accept, and makes it expensive and risky for schools to enter the WPCP.

¹ Failing to meet most educational expectations with an Overall Accountability Score of 46.5 out of 100, Cambria-Friesland School District in Columbia County, was last out of Wisconsin's 424 school districts for the 2015-2016 school year.

² Three schools in Columbia County that are participants in the WPCP are St. John's Lutheran in Portage, Wisconsin Academy in Columbus, and Randolph Christian in Randolph. <https://dpi.wi.gov/sites/default/files/imce/sms/pdf/2016-17-1%25-Limits.pdf>



With an enrollment of 587 students, Flambeau School District's academic performance is well below the state average. Its student achievement score is 53.6 out of 100, which is below the state average of 67.5.³

Unfortunately educational choice is limited for parents and students in Rusk County. The burdensome laws and regulations of the WPCP may prevent the four private schools in Rusk County from participating in the voucher program, so parents of modest means are confined to the struggling public schools.

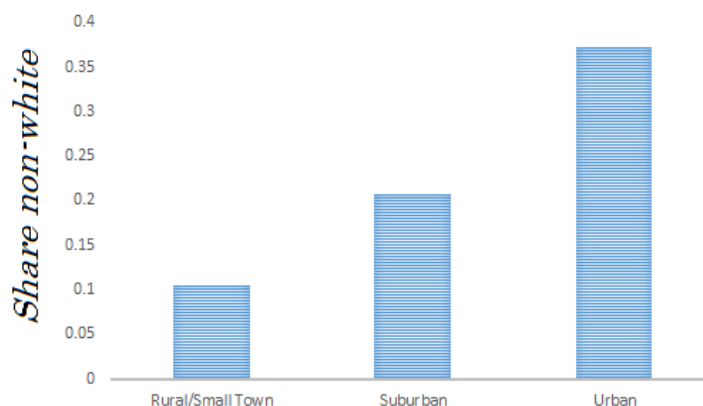
Often forgotten, parents and children in rural and small town Wisconsin struggle with poverty and poor public schools just like those in urban areas. But the problem is more spread out and the communities are relatively small. **Rural school districts in Wisconsin tend to have lower ACT scores, lower Forward Exam scores, and higher levels of impoverished children than the statewide averages.**

This policy brief sheds light on rural and small town public schools in Wisconsin and their struggles with poverty and student performance. **By many measures, student performance is just as bad as urban areas and far worse than suburban areas. But parents in rural Wisconsin don't have the same educational options as those in Milwaukee do.** That needs to change and it starts with expanding the Wisconsin Parental Choice Program.

I. Demographics of Rural/School Districts

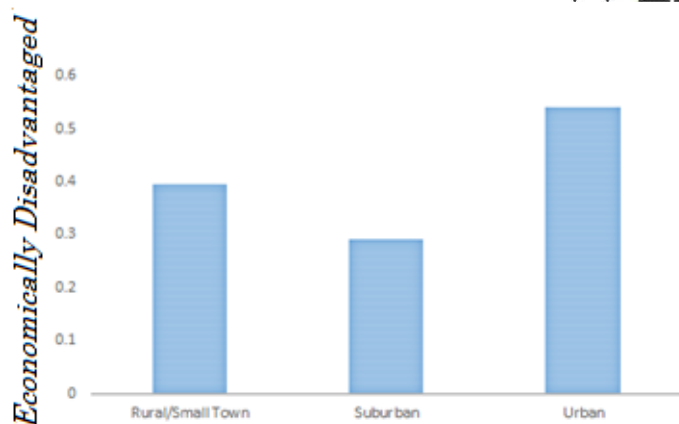
The urbanicity of schools, i.e. rural, small town, suburban, or urban, is based on designations from the National Center for Education Statistics that takes into account population and location geographically relative to defined urban areas. This paper examines the rural and small town designations concurrently, as both have been understudied by policymakers, and both face similar economic and demographic challenges.⁴

In Wisconsin, 80% of all school districts are located in rural areas or small towns and serve nearly half - 46% - of all Wisconsin students. These districts, reflecting their communities, are generally whiter than their suburban and urban counterparts. According to data from the Wisconsin Department of Public Instruction (DPI), non-white students make up just 13% of students in rural schools, compared to 19% in suburban areas and more than 41% in urban areas. Non-white students are more likely to be Hispanic in rural schools.



³ Student Achievement Score is a DPI-calculated score that compares the performance of the district to state and national benchmarks in reading and math.

⁴ For districts with no DPI classification, we took the number of schools in each district at each level of urbanicity and defined the district by its majority urbanicity. The only district with a "tie" was New Berlin, which we chose to define as suburban. None of the subsequent analyses are altered significantly by this choice.



Approximately 146,000 rural/small town students (39.2% of students in rural/small town schools) are at or below 185% of the federal poverty line. While urban schools have the most students who struggle with poverty (50.2%), the share of rural students far outpaces those in suburban schools (24.2%). This is depicted to the right.⁵

But rural poverty is persistent and perhaps due to low enrollment – the average rural school district has an enrollment of 1,161 – is often overlooked. **66 out of 337 rural/small town school districts, nearly 20%, have over half of their students in free and reduced-price meal programs.** White Lake School District in Langlade County, for example, has nearly 91% of its students participating in free and reduced-price lunch. Adams-Friendship School District, located in Adams County, has over 81% of students on it.

The chart below depicts the top 15 school districts for free and reduced lunch. The rural school districts are in bold. Note that the 100% free and reduced lunch districts are utilizing the Community Eligibility Provision, i.e. high poverty districts have the option to opt all of their students into the free lunch program, regardless of their individual income. The program is available to districts with the highest rates of poverty in its schools, meaning the reported numbers still represent a measure of district poverty.

Table 1. Percent Free and Reduced Lunch by School District (rural/small town districts bolded)

Bayfield School District	100.00%
Beloit School District	100.00%
Lac du Flambeau School District	100.00%
Menominee Indian School District	100.00%
Milwaukee Public School District	100.00%
White Lake School District	90.75%
Adams-Friendship School District	81.40%
Wautoma Area School District	73.11%
Delavan-Darien School District	71.79%
Gresham School District	67.99%
Webster School District	67.96%
Tri-County Area School District	67.20%
Butternut School District	67.17%
West Allis School District	66.32%
Abbotsford School District	65.44%

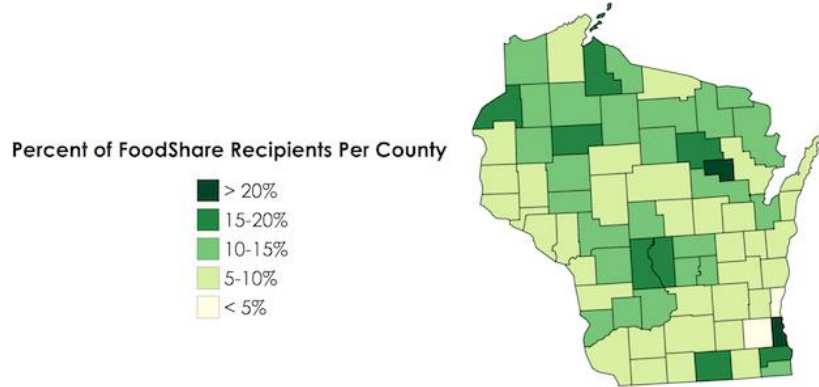
Another way to examine poverty is FoodShare beneficiaries. FoodShare, Wisconsin's Supplemental Nutrition Assistance Program (SNAP), is public nutritional assistance, available to households who may be employed and on a small or fixed income, or on disability.⁶ A household receiving FoodShare benefits in Wisconsin must be

⁵ The Free and Reduced Lunch Program is a federal program which provides students with free or subsidized meals if their family income is within 185% of the federal poverty line.

⁶ Wisconsin Connections, "FoodShare Wisconsin: Eligibility", <http://fyi.uwex.edu/wisconsinconnections/files/2014/03/FS-07.pdf>, 2014, accessed March 14, 2017.

within 165% of the federal poverty line.⁷ The map below shows that rural areas of Wisconsin, particularly counties in the north and west, have high percentages of FoodShare recipients.⁸

Figure 3. Percentage of FoodShare Recipients per County, 2016



7 of the top 10 counties with the highest proportion of their population receiving FoodShare benefits are rural (bold)⁹, as shown in Table 2 below.

Table 2. Counties with highest proportion of Food Share Recipients

<i>County</i>	<i>FoodShare Recipients (%)</i>
Menominee	36.1%
Milwaukee	25.9%
Langlade	16.6%
Adams	16.5%
Ashland	16.1%
Rock	16.0%
Racine	15.6%
Rusk	15.5%
Burnett	15.5%
Juneau	15.2%

The high participation rates in various public assistance programs in rural communities indicate that an expansion of the statewide parental choice program would find a significant pool of eligible students because the Wisconsin Parental Choice Program requires that families earn less than 185% of the federal poverty line.

⁷ <https://www.dhs.wisconsin.gov/foodshare/fpl.htm>

⁸ Wisconsin Department of Health Services, FoodShare Wisconsin Data, “FoodShare Caseload Recipients by Calendar Year: 2016”, March 2, 2017, <https://www.dhs.wisconsin.gov/foodshare/rsdata.htm>, accessed March 3, 2017. United States Census Bureau, QuickFacts: Wisconsin, <https://www.census.gov/quickfacts/table/PST045215/55>, accessed March 3, 2017. Calculations completed by using the most recent population estimate for any specific county in the State of Wisconsin and the average number of FoodShare recipients per county for the year 2016.

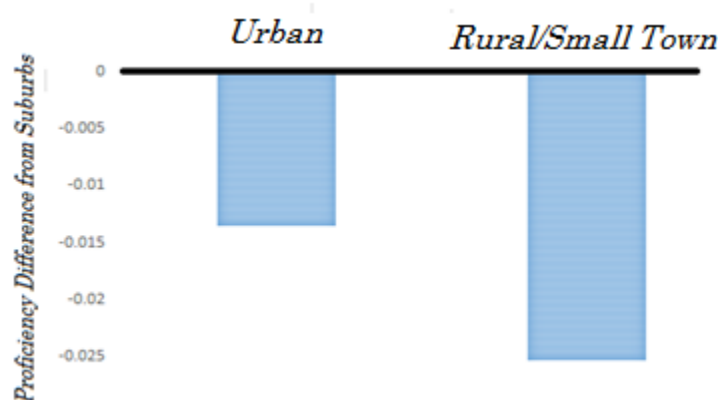
⁹ There are no small town designation counties.

II. Rural/Small Town Public School Performance

Unfortunately students in rural public schools, on average, perform worse than their peers in suburban schools, and on par with those in urban schools.

Forward Exam: The Forward Exam is the latest version of the state mandated test that is taken by students across the public, charter, and choice sectors on a yearly basis. Figure 2 below compares the performance of urban and rural/small town schools on the 2015-16 Forward Exam for English/Language Arts relative to suburban schools including controls for race, economic status, grade level, and other factors.¹⁰ Once the playing field is leveled, rural/small town schools perform significantly worse than suburban schools. **Proficiency rates on the Forward Exam are approximately 2.5% lower in rural/small town schools than in suburban school districts, and about 1% lower than urban districts (though this latter difference is statistically insignificant).**

Figure 6. Forward Exam Proficiency Differences from Suburbs



State Report Cards: The Overall Accountability Score for school districts is annually calculated by the Department of Public Instruction and ranks school success in areas that include: student achievement, student growth, on-track postsecondary readiness, and test participation rates. Schools are ranked according to five categories: significantly exceeds expectations, exceeds expectations, meets expectations, meets few expectations, and fails to meet expectations.

For the 2015-2016 school year, overall, 38 public school districts were within “meets few expectations” or “fails to meet expectations,” the bottom two categories.¹¹ 31 of the 38 districts—consisting of 23,168 students—are rural/small town school districts.¹²

College Readiness: DPI is required by law to report the number of students attending Wisconsin universities who required remedial classes. Remedial classes are review classes that help students “catch up” with material they are supposed to have learned in high school. They represent a drain on students, as they are required to pay for the class but do not receive college credit for it and may delay graduation.

¹⁰ The results slightly vary from those reported in *Apples to Apples* due to the exclusion of charter schools and the combination of the rural and small town categories.

¹¹ Andrew Beckett, Wisconsin Radio Network, “Five Districts, 99 Schools get failing grades on Wisconsin Report Cards”, <http://www.wrn.com/2016/11/five-districts-99-schools-get-failing-grades-on-wisconsin-report-cards/>, November 17, 2016, accessed March 9, 2017.

¹² Ibid.



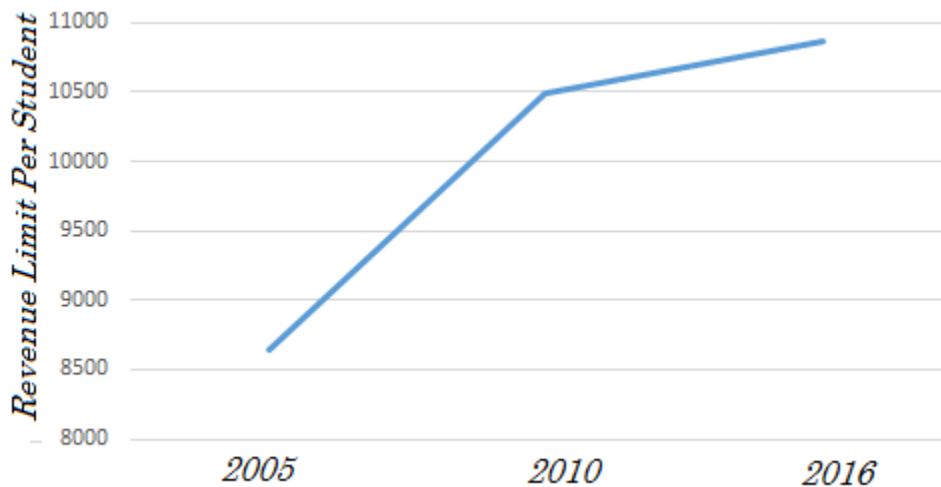
Students from rural areas and small towns require remedial college classes more than urban and suburban students. **Nearly 25%, or 1 in 4 rural/small town graduates, require remediation in math classes.** A similar percentage of students from urban areas require remediation (about 22%), while only 18% of students from suburban districts require these classes. Figure 7 shows this breakdown.¹³

Figure 7. Remedial College Classes by Urbanicity



The poor performance of rural/small town schools is *not* simply a problem of funding. Figure 8 below shows the average revenue limit—the combined state and local spending—in rural/small town districts since 2005. Since that year, spending per student has increased by more than \$2,000 per student in these districts, an increase of nearly 25%. As highlighted in previous WILL reports, more spending is not likely to improve performance, as the state is past the point of diminishing returns.¹⁴ In the following sections we make the case that it is time to try something different than throwing more money at the problem.

Figure 8. Revenue Limit per Student in Rural/Small Town Wisconsin, 2005-16



¹³ There is missing data in this analysis due to DPI's prohibition on reporting data for cohorts of 6 students or fewer. Because rural schools tend to be smaller, the results reported here should not be considered conclusive.

¹⁴ Marty Lueken, Rick Esenberg and CJ Szafir. "Diminishing Returns in K-12 Education: Has Wisconsin hit a wall where an additional dollar in education spending will not bring improvements in student outcomes?" WILL Policy Report.



III. The Need to Expand the Wisconsin Parental Choice Program (WPCP)

Consider the story of Cassville School District which has an enrollment of just under 200 students. Cassville, a small community located on the eastern banks of the Mississippi River in southwestern Wisconsin, has about 40% of its students enrolled in free and reduced lunch. Only 22.8% of its students were proficient or advanced in math and English on the 2016 Forward Exam.

But parents with modest means in Cassville have little choice on where to send their children. While there are nine private schools in the area, none of them participate in the Wisconsin Parental Choice Program. Worst of all, even if the private schools entered the WPCP, **due to state law, the enrollment caps would only allow 2 students in the entire district to use a voucher.**

If parents in rural Wisconsin relocated to Milwaukee, they would have easier access to a voucher to attend a private school of their choice. Unfortunately, the WPCP – unlike the Milwaukee Parental Choice Program– has eligibility restrictions that prohibit thousands of low-income children in rural Wisconsin from using a voucher, and further deters private schools from joining the program. This is disappointing because our research has shown that even though the program is young, **students in the WPCP score approximately 6 points (approximately 16.6%) higher on the ACT composite score than traditional public schools.**¹⁵

For school year 2016-2017, enrollment in the WPCP was limited to 1% of students in the school district. For 2017-18, it grows to 2%. This increases by 1% each year until the caps are lifted after 10 years. But this “enrollment cap” keeps kids out of the program. There were at least 519 students this year who were put on waitlists and denied entry into the WPCP due to excessive demand. This includes children in rural/small town school districts such as: Bonduel, Burlington Area, Oostburg, Portage Community, Shawano, and Wisconsin Rapids.

Table 4. School Choice Eligibility With and Without Enrollment Caps

Districts	Students	Students eligible for a voucher	Voucher eligible without WPCP enrollment caps
Milwaukee	103,051	77,288 ¹⁶	56,811
Rural/Small Town Wisconsin	384,871	3,848	144,396

Table 4 above shows how opportunity in Milwaukee compares to rural/small town districts. Note that other urban and suburban districts are not included in this table. **Under the current system, only about 3,848—or 1%—of students in rural Wisconsin are eligible for a voucher through the WPCP. When this is compared to the approximately 75% of kids who are eligible in Milwaukee, the fundamental unfairness of allowing a child’s zip code to determine their access to better schools becomes quite clear.**

¹⁵ There was no statistical difference on the Forward Exam: <http://www.will-law.org/wp-content/uploads/2017/02/apples.pdf>

¹⁶ Based on eligibility estimates from EdChoice <https://www.edchoice.org/school-choice/programs/wisconsin-milwaukee-parental-choice-program/>

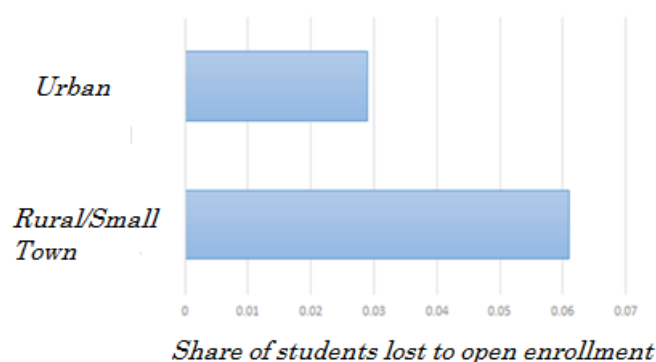


If the WPCP enrollment caps were removed, we estimate that approximately 144,396 more children in rural/small town school districts would be eligible for the WPCP, compared to the 7,698 eligible under current caps. We estimate this by using data from the state report card on the number of economically disadvantaged students in the district.¹⁷

Even if enrollment caps were eliminated, there is still an income eligibility requirement difference. Under the WPCP, families must be below 185% of the federal poverty line to qualify for a voucher (for a family of four, this is an income of \$45,263 per year). In Milwaukee, it is 300% for the Milwaukee Parental Choice Program. This results in about 38% more students having access to school choice in Milwaukee than in rural Wisconsin *even if the enrollment caps were removed*.¹⁸

We know that parents are interested in the WPCP for a few reasons. There are about 3,061 children in the WPCP and over 500 more on a wait list. In addition, many families in rural Wisconsin take advantage of Wisconsin's open enrollment program to attend a public school outside of their school district. It is very popular in rural Wisconsin. According to data from the non-partisan Legislative Fiscal Bureau (LFB)¹⁹, approximately 55% of school districts in rural Wisconsin experienced a net loss of students due to open enrollment during the previous school year.

In fact, a higher percentage of children in rural/small town school districts use open enrollment than urban districts. Figure 4 below shows the net change in the number of students in Wisconsin's rural/small town schools relative to suburban schools. Average losses relative to suburban schools constitute about 6% of all enrollees for rural schools compared to about 3% for urban school districts. This demonstrates that rural parents are looking for more educational options for their children.



If the WPCP student eligibility requirements were at least synchronized with that of the MPCP – no enrollment cap and family income at or below 300% of the federal poverty limit – there are plenty of private schools that could take advantage of the increased demand. But this is probably only if additional reforms to WPCP were made.

As Figure 8 shows below, there are 831 private schools in Wisconsin, 82% of which have addresses outside of Milwaukee and **21% (171 total) have addresses in rural counties.**

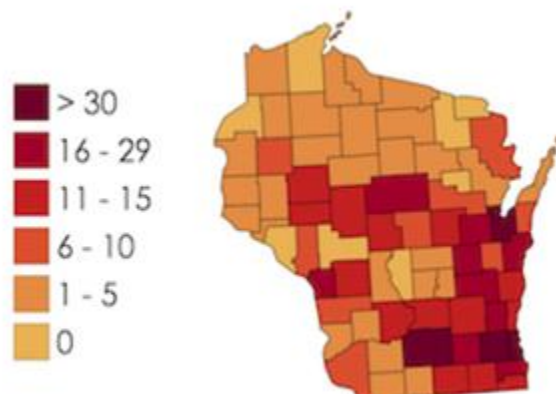
¹⁷ “Economically disadvantaged” is defined by DPI as a family within 185% of the poverty line—the same cutoff point as WPCP eligibility.

¹⁸ While the exact percentage of students who would be eligible in rural areas if the income cap was raised is difficult to calculate, the high rates of rural poverty discussed paper suggest it would be a substantial, and similar share.

¹⁹ Kava, Russ. 2017 “Informational Paper 26: Open Enrollment Program.”

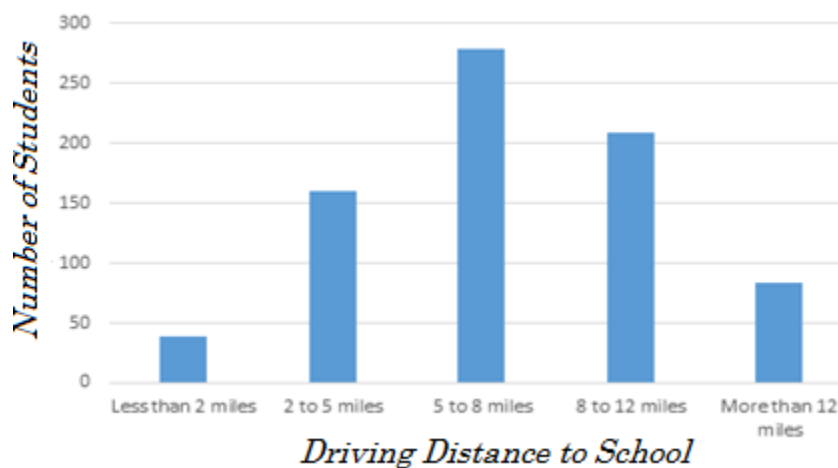


Figure 8. Private Schools per County



While schools may be great distances apart in rural Wisconsin, parents have shown a willingness to drive significant distances to give their children a high quality education. **For example, nearly 40% of students at Notre Dame de la Baie Academy (NDA) in Green Bay, a private school in the WPCP, drive 8 or more miles to school each day.** Many commute from small towns like Shawano and Oconto Falls, driving more than 30 minutes each way.

Figure 9. Driving Distance to School (Notre Dame La Baie)



But, currently, **only 14% of rural private schools are actually in the Wisconsin Parental Choice Program.** Table 4 below lists the rural/small town school districts in Wisconsin with WPCP schools, and their number. 72 schools currently in the WPCP are located in rural school districts.



Table 5. Number of WPCP in Rural/Small Town Wisconsin School Districts

District Name	# WPCP Schools	District Name	# WPCP Schools
Neenah Joint	5	Marinette	1
Stevens Point Area Public	5	Menasha Joint	1
Wausau	5	Medford Area Public	1
Wisconsin Rapids	5	Menomonee Falls	1
Burlington Area	4	Merrill Area	1
Chippewa Falls Area Unified	4	Oostburg	1
Manitowoc	4	Osceola	1
Marshfield Unified	3	Peshtigo	1
Watertown Unified	3	Plymouth Joint	1
Lake Geneva J1	2	Portage Community	1
Luxemburg-Casco	2	Randolph	1
New London	2	Reedsburg	1
Ashland	1	Richland	1
Beaver Dam Unified	1	River Valley	1
Bonduel	1	Shawano	1
Chilton	1	Stanley-Boyd Area	1
Coleman	1	Valders Area	1
Columbus	1	Waterford Graded J1	1
Freedom Area	1	Waupun	1
Lake Mills Area	1	Whitnall	1

Of course, an increase of demand – lifting the enrollment caps – could lead to an increase of supply – or more schools entering the WPCP. But there are likely additional laws and regulations that need to be changed in order to incentivize more private schools in rural Wisconsin to join the WPCP.

For starters, joining the WPCP triggers a number of financial and auditing regulations from the state of Wisconsin. While schools are mission-driven, many must weigh the financial costs versus benefits of joining the WPCP.

For example, current law requires a GAAP audit for private schools in the WPCP no matter how many students they accept. But this should only be required if the school hits a certain threshold of students (i.e. more than \$500,000 of taxpayer money). Otherwise, schools may not want to incur the costs for such a low financial benefit.

In addition, state law gives DPI the authority to request a private school submit any “evidence of sound fiscal and internal control practices, as prescribed by the department by rule” when applying to enter the WPCP. Wis. Stat. 118.60(7). Private school leaders have complained about DPI abusing this power by forcing schools to disclose personal donor information.

State law also dictates when a school can accept a student and at what grade level. Existing law only allows students to enter the WPCP at grades K4, K5, 1st, and 9th, shrinking the number of students schools can accept. Furthermore, WPCP schools can only accept children between February and April, which means schools must recruit students the year before school begins. In comparison, local public schools - and the MPCP - have year-round enrollment periods, which allows children to enroll in MPCP schools at any time.



Table 6. 2017-18 Choice Program Open Application Periods

MPCP	RPCP	WPCP
February 1-20	February 1-20	February 1 – April 20
March 1-20	March 1-20	
April 1-20	April 1-20	
May 1-22	May 1-22	
June 1-20	June 1-20	
July 1-20	July 1-20	
August 1-21	August 1-21	
September 1-14	September 1-14	
October 1-20		
November 1-20		
December 1- January 8		

As explained by Zach Verriden, executive director of HOPE Christian Schools in Milwaukee, “the Wisconsin Parental Choice Program has a number of obstacles baked into the current regulatory environment that prevent schools from entering the WPCP.” He cited strict “enrollment windows” as a major problem. “Enrollment windows mean parents can only change schools or enroll in certain schools at restricted times—otherwise certain schools are forced to turn parents and their child away and tell them better luck next year. If the enrollment windows would be changed, HOPE would consider expanding.”

Conclusion

The state of education in rural and small town Wisconsin has long been overlooked. Poverty and low-proficiency rates among students plague rural school districts, just like urban ones. But unlike in Milwaukee, parents don’t have ready access to school choice to provide their children with better opportunities.

There are many independent variables that go into a successful education system. Even if schools are required to teach the same material there will always be different outcomes. Average student aptitude, poverty, family involvement, and quality of teaching can all contribute to education outcomes. Expanding education choice, as Wisconsin has done in Milwaukee and Racine, has shown promising results in improving student outcomes. However, rural areas remain largely ignored. **The WPCP’s cap is so small, it hasn’t been given a chance to be effective.**

The Wisconsin Parental Choice Program should be a vehicle to provide local and fruitful alternatives for Wisconsin’s children. By limiting the WPCP to only 1% of school-aged children and leaving hundreds on waitlists, the program has an untapped capacity for creating an educational marketplace for Wisconsin’s rural counties and towns that have been yet untouched by educational choice.

An expansion of Wisconsin’s voucher program will help repair the recent performance of rural education and restore educational control to parents all over the state. The school choice program in Milwaukee is producing increasingly positive results for some of the most disadvantaged kids in the state. For the 23,168 students attending below average or failing public rural schools, expanding the WPCP may represent the best chance for a high-quality, competitive education.