

# Policy Brief

Wisconsin Institute for Law & Liberty

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## Myth Busters III: Fact-checking the Wisconsin Legislature on School Choice

Will Flanders, Research Director

Libby Sobic, Education Policy Director

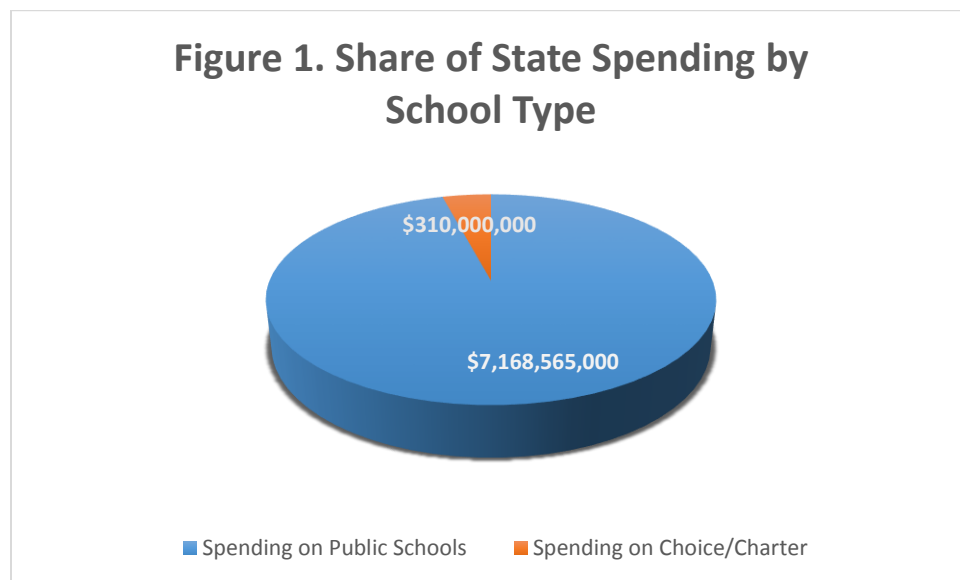
### *Executive Summary*

Already, the 2019-2021 legislative session has brought forth the greatest threat to school choice in Wisconsin in years. Governor Evers' proposed budget included an all-out assault on school choice.<sup>1</sup> This helped spur a number of misleading and inaccurate statements by Evers' allies and public education advocates, who see school choice as a threat. Throughout the Winter and Spring, they spoke in even stronger terms than usual in their efforts to prevent low-income Wisconsinites to have options about where their children attend school. In this policy brief, we take on seven of the misleading statements put forth by these individuals. While we know at this point that presenting the facts won't stop the lies, we hope that it will arm proponents of education reform with the information they need to refute these falsehoods.

#### **1. "Nearly \$200 Million in Public School Aid is Lost to Charters and Vouchers."-Rep. Sody Pope (press release) March 2019<sup>2</sup>**

Representative Pope is referencing a memo she requested from the Legislative Fiscal Bureau (LFB) on the impact on state aid from the parental choice programs and charter schools. It is first important to understand that any state aid that is 'lost' is because the district is no longer educating that child. However, under state law, districts are allowed to raise property taxes to make up this revenue. This curious situation, analogous to Walmart continuing to receive money from customers who decide to shop at Pick N Save, was found to be quite unpopular in WILL's school choice poll.<sup>3</sup> Setting this point aside, it is important to remember that any loss represents a small share of Wisconsin's overall per student spending.

For fiscal year 2018-19, Wisconsin spent \$5,899,757,400 in aid to local school districts according to LFB.<sup>4</sup> Adding the school property tax credit and the cost of the parental choice programs and charter schools to this gives us total state spending of \$7,168,565,000. We'll even go beyond what Pope requested from the LFB to make the most conservative estimate possible by including the cost of the Special Needs Scholarship Program (\$8.4 million) and the total cost to the state of the parental choice programs (the Wisconsin, Racine, and Milwaukee Parental Choice Programs). This gives us a figure of \$310.4 million, or 4.3% of the state's total education spending. Public schools ought to have the lion's share of funding—they still educate the vast majority of kids in the state. But it is wrong to claim that school choice is undermining public school spending.



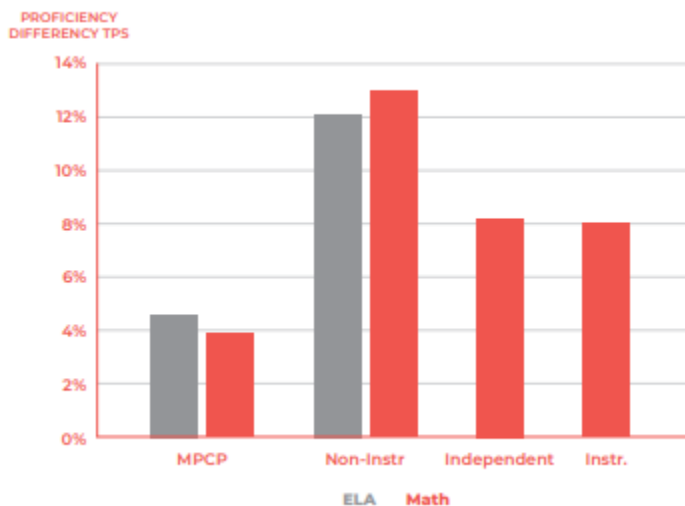
The story specific to certain types of charter schools is even more interesting, because districts profit from certain types of charter schools. Administrative fees are written into the contracts between school districts and charters that allow districts to keep a portion of the money that would otherwise go to charters. How much? For 2016-17, that state funding per student in MPS was \$10,450 per student. However, Milwaukee only paid \$8,188 to charter schools in its contract. On top of this, an additional 3% “administrative fee” is taken from these high-performing schools. In WILL’s Roadmap to Student Achievement<sup>5</sup>, we found that MPS skims more than \$14 million in total from charter schools. To say that charters are a detriment to public school funding is quite a stretch.

2. *“The data we’ve had for 20-some years pretty much shows that there’s not an appreciable — or any — difference in academic achievement of kids that get a voucher and those that go to regular public schools.”-then-candidate, now governor Tony Evers October 2018<sup>6</sup>*

Despite being corrected many times—by us<sup>7</sup> and others<sup>8</sup>—on this issue, the Governor continues to peddle half-truths. In reality, there is substantial, consistent evidence that the Milwaukee Parental Choice Program (MPCP) is having a positive effect on the outcomes of students in Milwaukee. The School Choice Demonstration Project (SCDP) of the University of Arkansas was tasked by the state to conduct a thorough investigation of the program beginning in 2006.<sup>9</sup> Using rigorous matching methods that compared the outcomes of students from similar backgrounds, the study found significantly higher proficiency rates in reading, a higher likelihood of getting into college, and a lowered likelihood of becoming involved in criminal activity.<sup>10</sup>

More recently, WILL has conducted annual analyses of test score results on the Forward Exam and ACT in our annual Apples to Apples study.<sup>11</sup> The most recent Apples to Apples report, analyzing data from the 2017-18 school year, found that proficiency rates in MPCP schools exceed those in traditional public schools by 3.9% in math and 4.6% in reading once appropriate socio-demographic controls are added to the model. Even without going to the extremes of statistical modeling, recent data straight from the DPI shows higher performance for choice and charter schools. Proficiency rates on the Forward Exam<sup>12</sup> and ACT scores<sup>13</sup> were higher for choice students relative to other low-income students in traditional public schools in recent years.

**Figure 2. Proficiency Relative to Traditional Public Schools, Milwaukee**



**3. *“This is how the unaccountable voucher system has grown year-after-year: through provisions slipped into the budget at the urging of special interest lobbyists at the same time funds get pulled away from rural and urban public school kids.” –Senator Chris Larson April 2019<sup>14</sup>***

This is perhaps the most tired comment put out by school choice opponents. Despite these claims, schools in Wisconsin’s choice programs arguably face greater accountability than traditional public schools. Choice schools in Wisconsin are among the most regulated in the country,<sup>15</sup> which has been found to have a negative effect on the likelihood that high-quality schools will participate.<sup>16</sup> They face regular audits, must maintain accreditation, and—above all else—face the greatest accountability of all through the families that choose to send their kids to these schools.

A joint project by WILL and School Choice Wisconsin<sup>17</sup> found that existing accountability rules are working to remove schools. The study found 57 schools have been removed from the school choice program since the 2003-04 school year thanks to existing accountability regulations. Since 2007-08, 33 schools have been denied payment by the program, and 21 of those schools never opened.

A recent study by WILL and Reason Foundation researcher Corey DeAngelis found that poor-performing schools in the choice program are more likely to close than poor performing traditional public schools.<sup>18</sup> While much ink has been spilled about the closure of choice schools over the years, turnover in the educational marketplace can be a positive force so long as that turnover is leading to better outcomes. With the continuing better performance of choice schools relative to traditional public school noted here, the evidence of appropriate levels of accountability is clear.

**4. *“I call on my legislative colleagues to join me in signing onto legislation to create true accountability in the trouble plagued charter and choice school system. We cannot afford to continue to ignore the fact that privatizing education is an invitation to corruption.” –Senator Chris Larson April 2019<sup>19</sup>***

Senator Larson appears to equate the growth of charter schools with the “privatizing” of education. This is curious, because charter schools are, unequivocally, public schools. In Wisconsin, charter schools are authorized by a number of public entities: the City of Milwaukee,

school districts, or the UW System. A few other authorizers exist in state law, but these are the only ones that have taken advantage of the ability to charter to date. Each of these entities enters into a contract with an educational operator to operate a school or schools under their purview. Previous research from WILL has found that charters with more freedom from the school district tend to perform better,<sup>20</sup> but the reality is that authorizers are afforded ultimate control over how a particular charter is run through their contract.

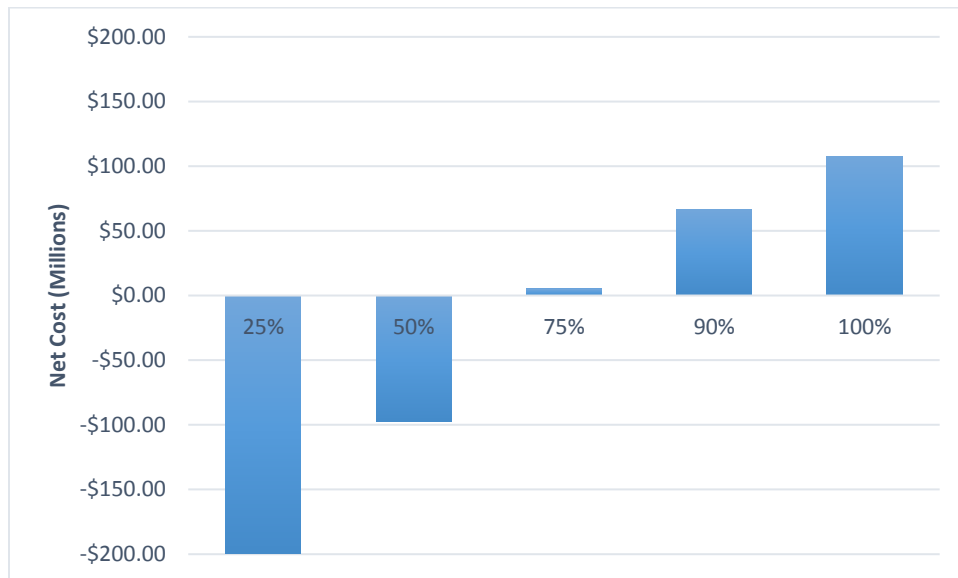
Charter schools are classified as public schools by the United States Department of Education.<sup>21</sup> Teachers in charter schools must hold a permit or license from DPI, and students are required to participate in state tests, and are prohibited from discriminating against students in a wide variety of areas, including race, gender, religion and sexual orientation.<sup>22</sup> Such schools are entirely publicly funded outside of any grants they may receive unlike, for example, private schools in the choice program which may admit tuition-paying students.

**5. *“We’re increasingly relying on property taxpayers to primarily pay private school tuition for students who were already attending private schools.”-Assembly Minority Leader Gordon Hintz, February 2019<sup>23</sup>***

This is a newer line of attack that has come to the forefront in recent years. School districts like Racine have begun including the ostensible cost of the choice to public schools on property tax bills,<sup>24</sup> and Governor Evers called for mandating this in state law.<sup>25</sup> The problem is that the information Democrats want to include doesn’t tell the whole story.

Because choice students are funded at a significantly lower level than traditional public school students, the students actually represent a savings from the perspective of state and local taxpayers so long as a sufficient number of the students would otherwise attend public schools. For example, according to the non-partisan Legislative Fiscal Bureau,<sup>26</sup> if 90% of students returned to public schools, state and local taxpayers would be on the hook for \$66.6 million more than if those students remained in the RPCP. The net costs and benefits are outlined in the figure below at varying levels of students returning to public schools.

**Figure 3. Net Cost & Benefits of ending RPCP at Various Rates of Return to Traditional Public Schools**



Given that RPCP and WPCP are open only to low-income students whose families earn less than 220% of the federal poverty limit, it is a reasonable assumption that most of these students would have little choice but to return to traditional public schools in the absence of the choice program. This means that the programs unequivocally represent a savings to taxpayers, and choice opponents are misleading when they claim it doesn't.

**6. “A lot of choice schools don’t provide (evaluations for IEPs) themselves. They tell the parents to get it done at the public schools and then transfer to the choice schools with the evaluation because it’s paid for by the public schools.”—Senator LaTonya Johnson April 2019<sup>27</sup>**

Senator Johnson appears to be trying to disparage schools participating Special Needs Scholarship Program (SNSP) here by claiming that they are sloughing off responsibility of identifying special needs students. She is misleading the public.

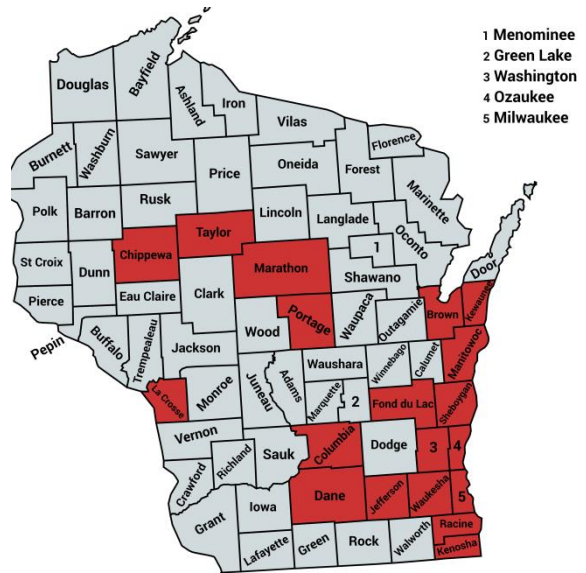
Both federal and state law mandates that students with disabilities receive an evaluation by the local education agency (i.e. the resident school district). This requirement is called “child find” and every school district receives federal and state funding to comply with the mandate to identify and evaluate every child in the district who may have a disabilities, regardless of where that child attends school.

The Special Needs Scholarship Program relies on the existing process and requires local educational agencies to evaluate the child and write an individualized education plan or provide services for the child.<sup>28</sup> This document serves as the mechanism to determine that the child has a disability that impacts their learning so that the child can qualify for the Special Needs Scholarship Program. As such, it is an accountability measure that helps guarantee that students receiving the scholarships actually have a disability.

The private school and the parents work together to determine what services the private school can provide to their child and ultimately come to a written agreement. This written agreement is the plan for how the private school will educate the student using the limited funds of the Special Needs Scholarship Program.

Furthermore, this program is proof that private schools across the state are educating students with disabilities. In just two years, the program has grown to serve nearly 700 students in 2018-2019 in schools across the state. The map shows every county that has at least one private school participating in the SNSP this school year.

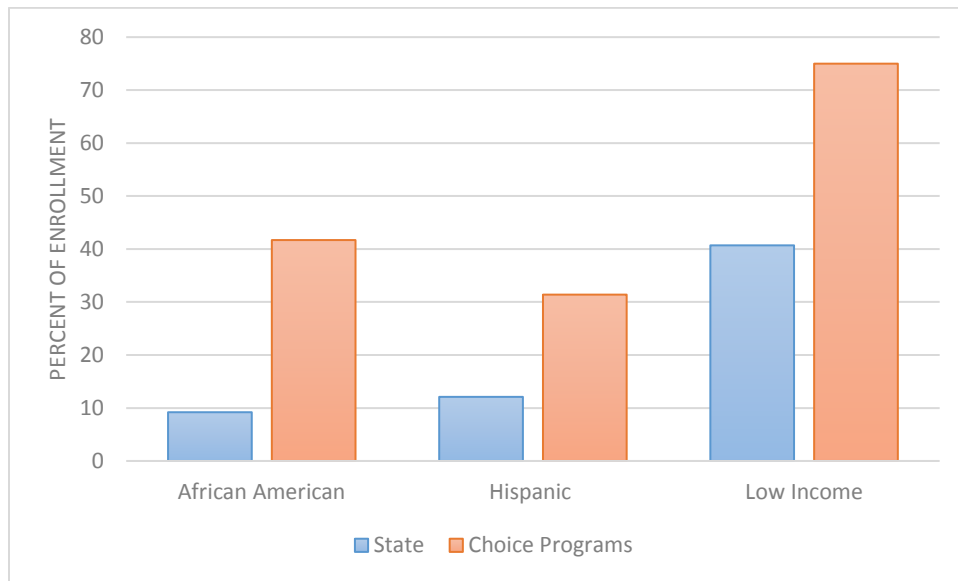
**Figure 4. Counties with SNSP Students**



7. *“In the north, the advent of school vouchers all but decimated public schools, and in the meantime, students—primarily those that are black, brown, and/or poor—are left holding the bag and begging for resources.”-Rep. LaKeshia Myers March 2019<sup>29</sup>*

While there are many misleading statements that have been included in this brief, perhaps none are more off-base or dead wrong than this one from Representative Myers. Wisconsin’s choice programs are only open to students of low and middle incomes. In reality, these schools serve a larger share of minority and low-income students than other schools in the state of Wisconsin. Using the most recent state data from our Apples to Apples study, we compare the demographics of Wisconsin’s choice schools to those of traditional public schools in the state.

**Figure 5. Student Demographics: Wisconsin School Choice Programs & State**



The demographics of choice schools look very much like the demographics of Milwaukee’s traditional public schools. Yet these schools produce higher proficiency levels,<sup>30</sup> a greater likelihood of getting into college<sup>31</sup>, and a reduced likelihood of becoming involved in criminal activity.<sup>32</sup> Far from being left “holding the bag,” choice schools are often one of the only paths out of a system that has been failing minority students for generations.

***BONUS: “Public schools take all comers. We shouldn’t take money from them to pay for a separate private school system that doesn’t follow the same rules.”-Rep. Gary Hebl 2017<sup>33</sup>***

Even though it is from two years ago, this statement from Rep. Hebl is heard often from school choice opponents and requires a response.

Inevitably, when discussing the better performance of private choice schools relative to public schools, the comment is made that this is because these schools selectively enroll students. This is not the case in Wisconsin. Indeed, state law mandates that choice schools admit all comers. If more students apply to a particular school than there are slots available, the school is still not allowed to have the choice. Instead, a lottery is held for admission. To say that schools pick their students is indefensible and patently false.

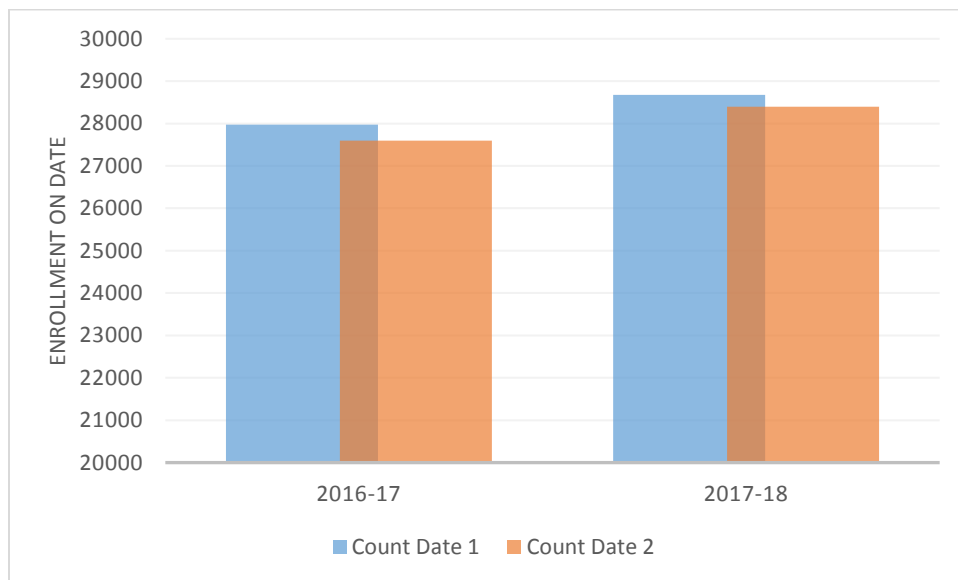
A second claim that is often made is that choice schools systematically remove problematic students after the October 3<sup>rd</sup> count date, boosting their reported enrollment while improving their achievement data. To investigate this claim, we took advantage of the existence of a 2<sup>nd</sup> count date within the school year by DPI, which is held in January. If choice schools are



systematically removing students, we should see a substantial decline in choice enrollment by the second count date.<sup>34</sup>

For the 2017-18 school year—the most recent for which data was available—the headcount of MPCP students declined from 28,680 to 28,396 between the first and second enrollment dates. This decline of 283 students represents less than 1% of overall MPCP enrollment, and is not suggestive of systematic removal. For the 2016-17 school year, the shift was 378 students, or a 1.3% decline. These numbers are depicted in Figure 2 below.

**Figure 6. MPCP Enrollment on Each Count Date**



If these students all enrolled back into MPS, which is quite unlikely, this would represent an increase in enrollment to MPS of .03%—hardly the sort of overwhelming dump of students that education reform opponents describe.

The bottom line is that Milwaukee's schools across sectors are characterized by student movement. Low-income families experience high levels of mobility, as jobs tend to be unsteady and eviction is a very real possibility. The students most subject to these forces may also tend to be those that struggle the most academically, as they lack the structural home environment that is an important component of success. A recent expose in the Journal Sentinel described how only 8 of 47 third graders remained at Carver Elementary by eighth grade.<sup>35</sup> An MPS administrator admitted that transience is the main issue rather than creaming by choice schools in 2014:

*"It's true that students leave the choice schools after third Friday, but they also leave us after third Friday," said Patricia Gill, director of family and*

*student services for MPS. "We lose about as many students as we gain in terms of to-and-from the choice schools."<sup>36</sup>*

Rather than continuing the typical sector wars battle, policymakers ought to see this as an opportunity to work together to solve a problem that impacts all Milwaukee schools, and other low-income districts throughout the state.

Perhaps an even more important refutation of Hebl's point is the fact that not all public schools take all comers. Milwaukee's citywide specialty schools don't have attendance areas, instead taking in students through a variety of admissions processes.<sup>37</sup> Though it is difficult to gauge the extent of such schools statewide, other ones do exist such as Green Bay's Leonardo Da Vinci School,<sup>38</sup> which is a school focused on gifted learners. We would not claim that such schools are a negative—it can indeed be useful to tailor an educational environment to a specific subset of students. But it is the height of hypocrisy to knock choice schools on this point when it is simply false while ignoring that some public schools do, in fact, engage in this practice.

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<sup>2</sup> Kava, Russ. March 28, 2019 Response to request from Representative Sondy Pope. *Wisconsin Legislative Fiscal Bureau*. [http://www.thewheelerreport.com/wheeler\\_docs/files/0328popelfb.pdf](http://www.thewheelerreport.com/wheeler_docs/files/0328popelfb.pdf)

<sup>3</sup> Flanders, Will 2019. "Wisconsin K12 Education Poll and Memo." *WILL Policy Report*. <http://www.will-law.org/wp-content/uploads/2019/04/will-poll-memo-final.pdf>

<sup>4</sup> Kava, Russ and Christa Pugh. January 2019. "Informational Paper 24: State Aid to School Districts." *Wisconsin Legislative Fiscal Bureau*. [https://docs.legis.wisconsin.gov/misc/lfb/informational\\_papers/january\\_2019/0024\\_state\\_aid\\_to\\_school\\_districts\\_informational\\_paper\\_24.pdf](https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2019/0024_state_aid_to_school_districts_informational_paper_24.pdf)

<sup>5</sup> Szafir, CJ and Libby Sobiech. 2019. "A Roadmap to Student Achievement: Policies to Improve Student Outcomes at Wisconsin K-12 Schools." *WILL Policy Report*. <http://www.will-law.org/wp-content/uploads/2019/01/roadmapstudy-final.pdf>

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