Crisis in Wisconsin’s K-12 Education Funding

League of Women Voters of Dane County

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What is Public about Public Education?

- Public Purpose
- Public Funding
- Public Access
- Public Accountability to Communities
- Public Curriculum
Vouchers and Charters? What’s the difference?

Voucher Schools

- Voucher schools are **private schools**.
- They are under private control.
- Voucher schools are private schools that elect to participate in a state’s voucher program.
- In general, federal and state laws apply differently because they are private schools.
- Most federal and state laws that govern public education do not apply.

Charter schools

- Charter schools are public schools.
- They are created for a limited term by a contract (charter) between an authorizer and those who seek to run the charter school.
- Charter schools are relieved from some state laws and regulations.
- The charter contract can be revoked or non-renewed if the school does not satisfy the terms of the contract.
- Charter schools must comply with all federal laws that govern public education.

States with Voucher & Voucher-like Programs

- Pre 1990
- 1990 - 1999
- 2000 - 2009
- 2010 - present
### Voucher and Voucher-like Programs

<table>
<thead>
<tr>
<th>Type of Program</th>
<th>How it works</th>
<th>Wisconsin version</th>
</tr>
</thead>
</table>
| **Voucher plans**                      | A statute sets an amount of a tax-supported subsidy to be used for private school tuition. | • Milwaukee Parental Choice Program  
• Racine Parental Choice Program  
• Wisconsin Parental Choice Program  
$7,323/student in grades K-8  
$7,969/student in grades 9-12  
• Special Needs Scholarship Program  
$12,000/student |
| **Tax credit/deduction programs**       | Tax-payers may claim either a tax credit or a tax deduction for all or a portion of educational expenses (e.g. private school tuition). | • Private School Tuition Tax Deduction  
Up to $4,000/student in grades K-8  
Up to $10,000/student in grades 9-12 |

### Voucher and Voucher-like Programs

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<thead>
<tr>
<th>Type of Program</th>
<th>How it works</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax credit scholarship plans (neo-vouchers)</strong></td>
<td>Tax-payers may direct a portion of taxes owed into a scholarship account that then provides tuition scholarships.</td>
</tr>
<tr>
<td><strong>Education Savings Accounts</strong></td>
<td>Parents may direct the state to place a defined amount of state aid which would have gone to the public school into an account from which tuition and other educational expenses may be paid.</td>
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</tbody>
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Not currently in Wisconsin
"I am calling upon members of both parties to pass an education bill that funds school choice for disadvantaged youth, including millions of African American and Latino children…These families should be free to choose the public, private, charter, magnet, religious or home school that is right for them." Speech to Congress 2/28/2017

MPCP Participation & Costs

Data from 2016-17 academic year (DPI – Oct. 2016)

- 121 participating private schools
- 28,188 students – would be 2nd largest “district” in WI
- Costs the state approximately $203,700,000
- 25.6% (approximately $52,100,000) of the MPCP funded by reducing state aid to MPS and 74.4% (approximately $151,600,000) from general purpose revenues
- Average MPCP school enrolls 80% of their students by means of a voucher
Most MPCP Schools dependent on voucher enrollment

<table>
<thead>
<tr>
<th>School Population</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% voucher users</td>
<td>22</td>
</tr>
<tr>
<td>90-99.9% voucher users</td>
<td>47</td>
</tr>
<tr>
<td>70-89.9% voucher users</td>
<td>12</td>
</tr>
<tr>
<td>50-69.9% voucher users</td>
<td>11</td>
</tr>
<tr>
<td>&lt;50% voucher users</td>
<td>22</td>
</tr>
</tbody>
</table>


Racine Parental Choice Program (RPCP) Participation and Costs

- Eligibility
  - 300% of federal poverty level (the first year of eligibility)
  - During previous school year, student attended private school with a voucher, was enrolled in a public school, was not enrolled in school, or is applying to attend kindergarten, 1st grade, or 9th grade
  - Same voucher amounts: **$7,323/student** in grades K-8; **$7,969/student** in grades 9-12.

Data from 2016-17 academic year (DPI – Oct. 2016).
- 19 participating private schools.
- 2,532 students
- Costs the state approximately **$18,300,000**.
Wisconsin Parental Choice Program (WPCP) Participation and Costs

Eligibility

- 220% of federal poverty level (the first year of eligibility)
- No more than 2% of any one school district may participate for 2017-18; increasing 1% each year thereafter; no limit in 2025-26 or after.
- During previous school year, student attended private school with a voucher, was enrolled in a public school, was not enrolled in school, or is applying to attend kindergarten, 1st grade, or 9th grade

- Same voucher amounts: $7,323/student in grades K-8; $7,969/student in grades 9-12.

Data from 2016-17 academic year (DPI – Oct. 2016).

- 121 participating private schools.
- 3061 students (2015-16 data - 83.5% previously attended private schools).
- Costs the state approximately $22,600,000.

Special Needs Scholarship Program (SNSP) Participation and Costs

Eligibility

- No income limit (private school may charge additional tuition)
- Enrolled in public school during previous school year, student has an IEP, and denied a seat in Open Enrollment Program (2016-17 only; IEP between 7/1/2011 – 6/20/2016 and denied open enrollment)

- Voucher amount: $12,000/student

Data from 2016-17 academic year (DPI – Oct. 2016).

- 19 participating private schools.
- 206 students
- Costs the state approximately $2,400,000.
The Grand Total is…

MPCP – $203,700,000
RPCP – $18,300,000
WPCP – $22,600,000
SNSP – $2,400,000
Total = $247,000,000

PSTTD - $12,000,000
All subsidies = $259,000,000

What is the effect of vouchers on local property taxes?

2 ways:

1. **Divisor – dividend issue:** The amount of state aid available has not been increased to address the increased number of students being supported by public tax dollars.

2. **Sum certain v. variable funding issue:** Any difference in the voucher amount and the state aid/student received must be covered by local property taxes.
What is the effect of vouchers on local property taxes?

1. The amount of state aid available has not been increased to address the increased number of students being supported by public tax dollars.

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Kids in public schools
Kids in independent charter schools
Kids in private voucher schools

$$ \div \text{total students} = $$/student

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Who gets what and in what order?

1. **Cindy Charter**
   - Attends independent charter school.
   - Gets $8188 state aid/year.
   - Gets state aid 1st.

2. **Victor Voucher**
   - Attends MPCP, RPCP, or WPCP school.
   - Gets sum sufficient voucher amounts ($7323 or $7969)
   - Gets state aid 2nd.

3. **Penny Public**
   - Attends public school.
   - Gets some share of what’s left after the Cindys and Victors get their aid $$. Gets state aid last.

$$ \div \text{total students} = $$/student
What is the effect of vouchers on local property taxes?

2. Any difference in the voucher amount and the state aid/student received must be covered by local property taxes.

![Diagram showing the effect of vouchers on local property taxes.](image)

Stoughton Area School District

$3388

Difference = tax liability per student for a student who moves from public to private school

New tax liability per student who was previously enrolled in a private school or otherwise not counted in district membership

$3388

Revenue limit

Local share

State aid

HS voucher amount

State equalization aid

“savings”

“The box”

$2031

$2969

New tax liability per student who was previously enrolled in a private school or otherwise not counted in district membership

$3154

$3388

Difference = new tax liability per student for a student who moves from public to private school

$938
Does research show that voucher programs produce superior results?

Voucher Comparison Studies

- Achievement Studies:
  - No consistent positive results for MPCP voucher users.
  - “Thus, in summary our best estimates over ten years of study were that for achievement tests, there were no consistent differences from the base year between voucher students and comparison groups drawn from public schools.”
    
Similar results have been found in studies of…

- New York City; Washington, DC; Dayton, Ohio

Although the theory used to advance these types of programs is neat, clear, and even compelling, that theory does not seem to translate into a clear logic of organizational outcomes across different contexts, populations, programs, grade levels, or subjects. In these studies, vouchers usually do not have an impact in most cases. In the isolated instances that they do, they appear to “work” for one group in one grade in one subject area, but not with that same group in a different subject, or year, or city—or even when examined in a different study, even by the same researchers. Thus the most consistent pattern across the studies promoted by ideological organizations such as the Friedman Foundation show that when disaggregated by groups, grade levels, etc., vouchers have no consistently significant impact.”


Studies finding Negative Effects of Voucher Programs

“In Indiana, a student who had entered a private school with a math score at the 50th percentile declined to the 44th percentile after one year.”

“The students who use vouchers to attend private schools have fared worse academically compared to their closely matched peers attending public schools. The student finds negative effects that are greater in math than in English language arts.”

“Our results indicate that the use of a voucher has negatively impacted both English language arts and math achievement, although only the latter estimates are statistically significant.”

“[Voucher program] participation lowers math scores by 0.4 standard deviations and also reduces achievement in reading, science, and social studies.”

“After one year, the [voucher program] had a statistically significant negative impact on the mathematics achievement of students offered or using a scholarship.”
Voucher Comparison Studies

- **Attainment Studies:**
  - Students exposed to voucher schools 4-7% more likely to attend college. (Cowen, Fleming, Witte, Wolf, & Kisida (2013). School vouchers and student attainment: Evidence from a state-mandated study of the MPCP. *Policy Studies Journal, 41*, 147-167.)

- **But:**
  - Results based on only 44% of students who began the study
  - Measures “exposure” in that students were categorized where they started high school, not where they finished.
  - Relatively few high schools participate in the program (<25%), so study based on less than 5% of participating students

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“*If policymakers should interpret these results as evidence that voucher students are performing slightly better on one metric—attaining a given level of education—the results nonetheless do not support a comprehensive conclusion that the Milwaukee voucher program necessarily provides a better learning environment than its public school counterpart.*”

(p.164, emphasis in original.)
Mark Dynarski: Based on what we have learned from the recent research I’ve reviewed, the decision facing parents who are considering applying to these voucher programs is complex. Suppose a parent is told their child will likely perform less well in reading and math (possibly much less, if they are in earlier grades), but might be more likely to graduate and go to college. How many would take that risk? Doing so requires a leap of faith that lower skills in reading and math will not affect their child’s future path through school, which is not intuitive to say the least. If a parent were enrolling their child in kindergarten, it would be quite a leap of faith, amounting to ‘in 13 years, it will all work out.’

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