The Comprehensive Longitudinal Evaluation of the Milwaukee Parental Choice Program: Summary of Fourth Year Reports

Patrick J. Wolf

University of Arkansas

SCDP Milwaukee Evaluation
Report #28
March 2011
The University of Arkansas was founded in 1871 as the flagship institution of higher education for the state of Arkansas. Established as a land grant university, its mandate was threefold: to teach students, conduct research, and perform service and outreach.

The College of Education and Health Professions established the Department of Education Reform in 2005. The department’s mission is to advance education and economic development by focusing on the improvement of academic achievement in elementary and secondary schools. It conducts research and demonstration projects in five primary areas of reform: teacher quality, leadership, policy, accountability, and school choice.

The School Choice Demonstration Project (SCDP), based within the Department of Education Reform, is an education research center devoted to the non-partisan study of the effects of school choice policy and is staffed by leading school choice researchers and scholars. Led by Dr. Patrick J. Wolf, Professor of Education Reform and Endowed 21st Century Chair in School Choice, SCDP’s national team of researchers, institutional research partners and staff are devoted to the rigorous evaluation of school choice programs and other school improvement efforts across the country. The SCDP is committed to raising and advancing the public’s understanding of the strengths and limitations of school choice policies and programs by conducting comprehensive research on what happens to students, families, schools and communities when more parents are allowed to choose their child’s school.
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SCHOOL CHOICE DEMONSTRATION PROJECT

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The eyes of the nation were on the state of Wisconsin, as Republican policymakers locked horns with the teachers union over reforms. The Republicans needed just one Democrat to break ranks in order for them to pass far-reaching policy changes. They finally got their wish when Representative Annette “Polly” Williams (D, Milwaukee) came over to their side. Surprised? That’s because the year was 1990, not 2011, and the far-reaching policy reform was the Milwaukee Parental Choice Program (MPCP).

The state of Wisconsin is no stranger to political conflict over education policy. A good example of that is the MPCP, also called the Choice program, which was the first urban private school voucher initiative in the country when it was established 21 years ago. Today the program allows over 20,000 low-income Milwaukee students to attend one of 111 different schools on 115 campuses with the assistance of a government voucher worth up to $6,442. Since Wisconsin took the lead, 10 other school voucher programs have sprung up in Colorado, Florida, Georgia, Louisiana, Ohio (three different programs), Oklahoma, Utah, and Washington, DC. Nine other programs, in Arizona (three programs), Florida, Georgia, Indiana, Iowa, Pennsylvania, and Rhode Island, finance voucher-like private school scholarships through individual and corporate tax credits. Collectively, these 20 private school choice programs enroll 190,811 students at a total cost to the government of $714 million or an average of $3,742 per voucher student per year. New voucher or voucher-type programs are under serious consideration in Arkansas, Indiana, Massachusetts, New Jersey, and Texas. Meanwhile, Wisconsin Governor Scott Walker has proposed various changes to the MPCP that likely would result in an acceleration of its continued expansion.

1 On March 17, 2011, the school board of Douglas County, Colorado, voted unanimously to finance a private school voucher program for up to 500 county students, making Douglas County the latest jurisdiction to launch a voucher program and the first one to do so on the initiative of a publicly-elected school board. http://www.denverpost.com/news/ci_17623486.

The MPCP is far from the only instrument for school choice in Milwaukee. A total of 51 public charter schools operate within the city’s boundaries, enrolling 16,242 students last year. Sixteen of the charter schools with 5,857 students are independent of the Milwaukee Public School (MPS) District.¹ Even students in MPS have a variety of magnet, community, open enrollment, and even inter-district school choice options available to them, so long as transportation funding is available. When one thinks of school choice in America, one thinks of Milwaukee.

Milwaukee’s extensive array of school choice programs, and regular efforts to “tinker” with them, makes it a place of great interest to educational researchers. Is the voucher program improving educational outcomes for children? Are independent charter schools delivering on their promise to boost student achievement? Is the competition that is induced by school choice resulting in effective public and private schools thriving and ineffective ones closing down? These are just some of the important questions that lure evaluators to the western shore of Lake Michigan.

In 2006 Wisconsin policymakers identified the School Choice Demonstration Project (SCDP) as the organization to help answer lingering questions about the effects of the MPCP.² The SCDP is a national research organization, based in the University of Arkansas’ Department of Education Reform, dedicated to the comprehensive, objective and nonpartisan evaluation of school choice programs. Researchers of the SCDP led the recently completed evaluation of the nation’s first federally-funded school voucher initiative, the Opportunity Scholarship Program in Washington, DC.³

The veteran leadership of the SCDP’s Milwaukee evaluation – Principal Investigator Patrick J. Wolf and Co-Principal Investigators Jay P. Greene and John F. Witte – have led or participated in nearly every major field study of school vouchers in the U.S., from Charlotte to New York, the District of Columbia to Milwaukee. We are drawn together for this project by the opportunity to examine how the mature MPCP affects students, parents, taxpayers, schools and communities of the city and state. Our shared commitment is to carefully and faithfully follow the evidence, wherever it leads.

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² Wisconsin 2005 Act 125, enacted on March 10, 2006, which primarily modified Wisconsin Laws 119.23.
³ See the reports at http://www.uaedreform.org/SCDP/DC_Research.html
This project has been funded by a diverse set of philanthropies including the Annie E. Casey, Joyce, Kern Family, Lynde and Harry Bradley, Robertson, and Walton Family foundations. We thank them for their generous support and acknowledge that the actual content of our reports is solely the responsibility of the authors and does not necessarily reflect any official positions of the various funding organizations or research institutions involved. We also express our gratitude to officials at the MPS, the private schools in the MPCP, and the state Department of Public Instruction for willing cooperation, advice, and assistance.6

Summary of What We Have Learned About School Choice in Milwaukee

Thus far our research has generated a pattern of school choice results that range from neutral (no significant difference) to strongly positive. Although we have examined virtually every possible way that school choice could systematically affect people, schools, and neighborhoods in Milwaukee, we have found no evidence of any harmful effects of choice. Our major findings to date are:

• The MPCP remains popular among Milwaukee families, as evidenced by consistent and at times dramatic growth in MPCP enrollments over the past 12 years.

• The Choice program saves the government money -- nearly $52 million in fiscal year 2011 -- although not all types of Wisconsin taxpayers benefit from the savings.

• Both the MPCP and the MPS have succeeded in denying public funds to, or closing, a substantial number of low-performing schools over the past four years.

• Attending a private high school through the MPCP increases the likelihood of a student graduating from high school and enrolling in college.

• Students in the MPCP appear to be performing at lower levels than MPS students in the younger grades but somewhat higher levels than MPS students in the older grades. When similar MPCP and MPS

6 We are grateful to Marlo Crandall at Remedy Creative for his skilled graphical design of the reports. We also recognize the guidance and assistance of the largest, most balanced expert Research Advisory Board ever to oversee a school choice evaluation. Our thanks to David E. Campbell, University of Notre Dame; Anneliese Dickman, Milwaukee Public Policy Forum; David Figlio, Northwestern University; Laura Hamilton, RAND; Jeffrey Henig, Teachers College; Frederick Hess, AEI; Tom Loveless, The Brookings Institution; Thomas Nechyba, Duke University; Paul E. Peterson, Harvard University; Andy Rotherham, Bellwether Education Partners; and Robert K. Yin, COSMOS Corporation. Their contributions of information and advice have been all to the good. Any remaining flaws are solely the responsibility of the researchers.
students are tracked carefully over time, however, their rates of achievement growth are statistically similar after three years.

• MPS students themselves are performing at somewhat higher levels as a result of competitive pressure from the school voucher program.

• The MPCP has had no discernible effect on the racial segregation of schools or housing costs across neighborhoods.

• Independent public charter schools are generating significantly higher rates of achievement growth for their students compared to similar students in MPS.

**Finding 1: The MPCP Continues to Grow**

The opportunity to select a private school through the voucher program continues to grow in popularity. The MPCP remained a small pilot program during its first eight years of operation, due to a strict enrollment cap and prohibition against the participation of religious schools, which tend to be popular with inner-city parents. After the enrollment cap was raised from 1 percent to 15 percent of Milwaukee K-12 students and the courts ruled that religious schools could participate in the program, the MPCP expanded dramatically, doubling in size 11 times between 1997–98 and 2006–07 (Figure 1). Enrollments have continued to grow throughout the four years of our evaluation, increasing by 18 percent from 17,749 students during the 2006–07 school year to 20,899 students in 2009–10.

Over that same four-year period the number of different private schools participating in the program declined from 120 to 111. The drop in the number of schools was especially steep from 2008–09 to 2009–10, a net loss of 16 schools. The 2009 school year brought a new set of accountability regulations for schools in the MPCP as well as a maximum voucher value of $6,442 which was 2.5 percent lower than the previous ceiling. The new regulations included a requirement that MPCP schools administer the state test -- the Wisconsin Knowledge and Concepts Exam (WKCE) -- to all of their voucher students in grades 3–8 and 10. Previously they were only required to test students in grades 4, 8, and 10 and could choose which standardized test to administer. The Choice schools also faced new requirements to adopt formal standards for student graduation and promotion, implement curricula standards in most subject areas, and verify that all of their teachers and administrators have degrees from accredited colleges and universities. We cannot be certain if these new regulations, the lower voucher value, both, or some other factors led to the drop in the number of participating schools. All we can say for sure is that the MPCP enrolls more students in fewer participating private schools than was the case a year ago.
Figure 1. Counts of Students and Schools Participating in the Milwaukee Parental Choice Program, 1990-1991 through 2009-10

Source: Data obtained from the Wisconsin Department of Public Instruction.
Finding 2: The MPCP Saves Money

Careful research by school finance expert Robert Costrell has confirmed that the state of Wisconsin saves a substantial amount of public money due to the operation of the Choice program. The fiscal impact of the program on the state is a function of four basic elements: the size of the state per-pupil revenue limit paid when a student attends MPS, the maximum value of the voucher, the number of voucher students, and the proportion of those students who would have attended private school in the absence of the voucher program. Since the per-pupil revenue limit has always exceeded the maximum voucher value, MPCP enrollment has grown, and experimental research indicates that no more than 10 percent of low-income urban students attend private schools without the assistance of a voucher, Costrell has estimated that the MPCP has saved the state over $37 million in Fiscal Year (FY) 2009, nearly $47 million in FY 2010, and nearly $52 million in FY 2011.

Due to remaining quirks in the funding formulas, however, only certain types of taxpayers share in the benefits from the MPCP cost savings. Payers of Wisconsin sales and income taxes all benefit, as do property taxpayers outside of the city of Milwaukee. Milwaukee property taxpayers continue to suffer a fiscal penalty from the operation of the program that could be corrected based on approaches recommended by Costrell.

Finding 3: Both the MPCP and MPS have been Shedding Low-Performing Schools

The entry and exit of institutions is a critical feature of a functioning market. In annual descriptive reports on participating schools, Brian Kisida and his colleagues have confirmed that substantial numbers of Milwaukee schools are no longer operating at public expense. Crucially, both the MPCP and the MPS schools that have been denied funds or closed tend to be low-performing. Since we began our study in 2006-07, 35 private

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8 Over the past three fiscal years the revenue limit has exceeded the voucher maximum by $2,855 to $3,571.

schools participating in the MPCP are no longer authorized to receive public funds. The private schools no longer receiving government support (most of which subsequently closed) differ from continuing MPCP schools in important respects, including that, on average, the excluded schools were smaller, more dependent upon voucher students for enrollments, younger, and much less likely to have a religious affiliation. The excluded schools also had lower student test scores than the schools that continue to enroll MPCP students, and those differences were statistically significant in six of eight comparisons. During the same four-year period MPS also closed a total of 35 schools. As was the case in the MPCP, the average student test scores of the schools that MPS closed were lower than the scores for continuing MPS schools, and the differences were statistically significant for all six comparisons.

**Finding 4: MPCP High School Students Score Higher on Measures of Educational Attainment**

Educational achievement is a measure of how much you know. Educational attainment is a measure of how far you go (or have gone). Attainment is an important student outcome because a number of studies have connected higher levels of attainment with a variety of quality-of-life indicators including greater longevity, higher lifetime earnings, and a lower likelihood of incarceration.¹⁰

At the start of our evaluation we carefully matched the entire group of 801 9th-grade students enrolled in the MPCP with a similar group of 801 9th-graders in MPS. Four years later, the MPCP students were more likely to have graduated from high school than were their MPS counterparts. The voucher students also were more likely to have enrolled in a four-year college or university, based on parental reports, than were similar MPS students. Our estimates of the higher rates of college enrollment for the MPCP students ranged from 5 to 7 percentage points and were statistically significant in most of the comparisons.¹¹

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Finding 5: The MPCP Serves Relatively Disadvantaged Students, Delivering Achievement Gains Comparable to Similar MPS Students

Our project has generated a series of descriptive and separate analytic reports on student test-score performance in the MPCP compared to the MPS. Though they use different methodologies and samples, the two sets of reports share some common findings. First, far from skimming the “cream of the crop,” the Choice program serves a group of students who are more disadvantaged educationally than the average MPS student. For example, 4th-graders in the MPCP score lower than their low-income peers in MPS on the WKCE, even while MPCP 8th-graders tend to score about the same or somewhat better than similarly low-income MPS 8th-graders.12

We gain even more reliable information about test-score comparisons from our Longitudinal Educational Growth Study (LEGS). To initiate our LEGS study we matched a random sample of MPCP students in grades 3-8 with a similar group of MPS students. The students in both our MPCP and matched MPS panels were scoring below the average MPS student at the start of our study, indicating that the MPCP is attracting students who are disadvantaged in their prior achievement levels relative to the typical MPS student.13

What happens to the student achievement of MPCP students relative to matched MPS students? Three years after we equalized the groups at baseline, the MPCP students demonstrated WKCE growth scores that were statistically similar to their matched MPS counterparts.14 Although one year remains in our LEGS study, to this point we have observed no significant effects of the MPCP on the rates of student gains in reading and math achievement.


Finding 6: **MPS Students are Performing Slightly Better due to Voucher-Induced Competition**

The ultimate claim of school choice supporters is that increased choice pressures the public schools to improve, creating a “rising tide that lifts all boats.”\(^{15}\) Jay Greene and Ryan Marsh tested this claim in Milwaukee by employing a novel method of assigning a “school choice threat” score to each student in MPS based on their residential location, grade level and whether or not they qualified for the voucher program. Students with more schooling options due to these characteristics exhibited greater gains in achievement in the public schools, all else equal. The effects of voucher-induced competition were not large, as an increase of 37 voucher schools generated an average public school test score gain of just 2 Normal Curve Equivalent points.\(^ {16}\) The positive effect of voucher-induced competition was statistically significant, however, and consistent across various statistical models. Students in MPS are performing at somewhat higher levels of achievement because of competitive pressure from the MPCP.

Finding 7: **Levels of Racial Segregation in Schools and Neighborhood Housing Prices Seem to be Unaffected by the MPCP**

Members of our research team examined whether student transfers from MPS to private schools of the MPCP generated more or less racial segregation in the schools they left and the schools they joined. Jay Greene and his colleagues found that, on average, the MPCP had a neutral effect on racial segregation in schools because most student transfers under the program involved minority students leaving heavily minority public schools (thus reducing the school’s level of segregation) for similarly heavily minority private schools (thus increasing the school’s level of segregation).\(^ {17}\) Most MPCP schools and most MPS schools are overwhelmingly populated by minority students, and the Choice program merely facilitates the transfer of minority students out of and into minority-dominant schools.

Economists theorize that the easy availability of both private and public school choice in a city affects housing prices, as homebuyers no longer have to pay a “school quality premium” to live in a neighborhood with high-

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performing public schools nor receive a “failing school discount” to live in a neighborhood with low-performing public schools. Would this phenomenon hold in Milwaukee, even though the voucher program is capped and limited to low-income families who are not a major home-buying demographic? Using historical data on real-estate prices in the city, Marcus A. Winters investigated this question. Winters found that home prices in Milwaukee appear to remain influenced by the quality of local public schools, even in parts of the city with widespread school choice.18

Finding 8: Independent Public Charter Schools Produce Greater Achievement Gains than MPS

Finally, we examined whether students in Milwaukee’s independent public charter sector exhibited achievement gains that were higher than, equal to, or lower than similar students in MPS. Charter schooling has become a more prominent form of parental school choice lately, especially since the Obama Administration has begun promoting charter schools through policies such as the federal Race to the Top initiative. We took the entire population of charter school students in grades 3-8 in 2006-07 and, as with our MPCP study, carefully matched them to similar students attending MPS. Two years later the charter school students were demonstrating reading gains that were significantly higher than the matched MPS students. After three years, the gains for the charter students in both math and reading were clearly higher than their MPS counterparts, as both the charter school effects and the entire confidence intervals around them appear above the 0 line in Figure 2.

The pattern of test score gains for the independent charter school students also is important. Four of the charter schools previously were private schools in the MPCP. The student achievement gains at those “private-to-charter conversion schools” were especially high. Moreover, students towards the lower end of the achievement scale gained the most from attending a charter school. Although the results could change in the final year of our study, at this point it appears that independent charter schools in Milwaukee are delivering clear achievement benefits to their students, especially if the schools were previously in the voucher program and especially if their students were low achievers.

**Future Studies**

As much as we have learned so far about the nature and effects of school choice in Milwaukee, we still have more work to do. Next year will be the final year of our five-year longitudinal study. By the spring of 2012 we will have produced 37 reports on myriad aspects of parental school choice in Milwaukee (Table 1). We will extend our longitudinal studies of achievement growth in the MPCP and independent charter school sectors to capture growth after four years. We will augment our initial findings regarding the effect of the MPCP on educational attainment by examining the five-year graduation rate for our 9th-grade cohort as well as the four-
year graduation rate for our 8th-grade panelists. In addition, we will verify the college enrollments of our 9th-grade cohort using a national clearinghouse database. We will continue to examine the characteristics of MPCP schools and hope to complete site visits of schools in the public and private sectors that will help to provide important contextual information regarding our findings. We will consider the pattern of school-switching among the students in our study and its implications for educational achievement and attainment. Finally, we plan to launch a new study of the ways that the school choice environment and programs in Milwaukee have affected religious schools.
### Table 1. SCDP Evaluation of the MPCP: Components, Deliverables, and Schedule

<table>
<thead>
<tr>
<th>Question</th>
<th>Deliverable</th>
<th>06-07</th>
<th>07-08</th>
<th>08-09</th>
<th>09-10</th>
<th>10-11</th>
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<td>What are we finding?</td>
<td>Summary of Reports</td>
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<td>What is the Program’s effect on educational attainment?</td>
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<td>How well are MPCP students performing?</td>
<td>School Testing Summary Report</td>
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<td>X</td>
<td>X</td>
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<tr>
<td>What are the characteristics of MPCP and MPS schools? Which factors impact achievement gains?</td>
<td>Schools and Best Practices Report</td>
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<td>What is the effect of the Program on achievement in public schools?</td>
<td>Competitive Effects Report</td>
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<td>How are charter schools performing relative to traditional public schools?</td>
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<td>How has the Program influenced school switching and the financing of education?</td>
<td>Fiscal Impact &amp; Switching Reports</td>
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<td>Have real estate values or demography changed in response?</td>
<td>Community Effects Report</td>
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<td>What is the Program’s impact on school-level integration by race?</td>
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<td>How are parents choosing schools, addressing challenges, and how might the Program be improved?</td>
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**Total Reports (37 over 5 years)** | 5 | 8 | 8 | 7 | 9

Black Xs signify completed reports. Purple Xs signify planned future reports.
Conclusion

The fourth year of the comprehensive longitudinal evaluation of the Milwaukee Parental Choice Program by the School Choice Demonstration Project has produced an interesting set of medium-term findings as well as the conditions for more far-reaching results in the future. Our findings range from neutral to positive regarding the effects of school choice on students, schools, and communities. We have established that, three years after being carefully matched on important characteristics, students in our MPCP and MPS longitudinal panels are demonstrating achievement gains in reading and math that are approximately equivalent, a finding that is generally consistent with the snapshots of student achievement in the two sectors that we have presented in our Annual School Testing Summary Report. This equivalence in achievement could be partially explained by the fact that competition from the voucher program has increased student achievement in MPS slightly.

The high school cohort of students in our study graduated and enrolled in college at a higher rate if they participated in the Choice program. We have confirmed that both the MPCP and the MPS have recently shed their respective sectors of many low-performing schools. The operation of the MPCP appears to neither increase nor decrease the overall level of racial segregation in Milwaukee schools, and housing prices appear to be unaffected by the program. Finally, we see strong evidence that students in Milwaukee’s independent charter school sector are achieving at higher rates of growth than are similar students in MPS, particularly if they are attending a charter school that used to participate in the voucher program and particularly if they are low achieving.

Much has been learned in the four years since the SCDP began a new longitudinal evaluation of school choice in Milwaukee. More findings remain to be uncovered. In particular, our next set of reports will broaden our initial assessment of the effects of the MPCP on educational attainment and also examine the effects of Milwaukee’s school choice environment on religious schools.
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About the Author

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