

2013-15 Budget Issue Paper

Recent Research and the Milwaukee Parental Choice Program

[LFB 2013-15 Budget Summary: Pages 372-374 #3; page 375 #6]

Recently, three peer-reviewed articles examining the performance of the Wisconsin taxpayer funded school voucher program known as the Milwaukee Parental Choice Program (MPCP) have been released using data from the legislatively mandated evaluation of the MPCP program.¹

These peer-reviewed articles find that:

- Poor, minority, low achieving students are much more likely to leave MPCP, and much more likely to do so when they attend private schools with a larger proportion of voucher recipients.²
- Levels of parental satisfaction between MPCP and Milwaukee Public Schools (MPS) are equal.²
- Parental dissatisfaction was the most common reason cited by parents for students leaving the MPCP program (24% of respondents).²
- Inadequate handling of the special needs of students was the second most common reason (11% of respondents) for students leaving MPCP.²
- When students, who represent the most disadvantaged population, do exit MPCP and return to MPS they show substantial achievement gains, even though they often choose to return to lower-performing MPS schools.³
- The mandatory testing of students in choice programs is the leading driver in achievement gains observed in the choice program.⁴
- Holding schools participating in the choice programs accountable is a key strategy in increasing the performance of publicly funded choice schools across more diverse student outcomes.⁴

¹ During the discussions surrounding the Governor's 2013-15 Biennial Budget there has been much information circulated regarding the effectiveness of the MPCP program as reported by the School Choice Demonstration Project (SCDP), the legislatively mandated study of the effectiveness of the school choice program. See: <http://www.wpri.org/blog/?p=2447>: These SCDP reports have had some controversy surrounding them (<http://nepc.colorado.edu/thinktank/review-Milwaukee-Choice-Year-5>), but recently much of the research conducted by the researchers on the SCDP has been published in academic peer-reviewed journals. The Legislative Audit Bureau (LAB) annually reviewed the SCDP reports and provided their own analysis: <http://legis.wisconsin.gov/lab/reports/12-14full.pdf>

² Cowen, Josh; Fleming, David; Witte, John and Patrick J. Wolf. 2012. "Going Public: Who Leaves a Large, Longstanding, and Widely Available Urban Voucher Program?" American Educational Research Journal (April 2012) (pp. 231-256). <http://aer.sagepub.com/content/49/2/231>

³ Carlson, Deven and Josh Cowen. Forthcoming. "Life After Vouchers: What Happens to Students Who Leave Private Schools for the Traditional Public Sector?" Educational Evaluation and Policy Analysis (June 2013). <http://epa.sagepub.com/content/35/2/179>

⁴ Carlson, Deven. Cowen, Joshua. Fleming, David. 2013. Third-Party Governance and Performance Measurement: A Case Study of Publicly Funded Private School Vouchers. In Journal of Public Administration Research and Theory (forthcoming). <http://jpart.oxfordjournals.org/content/early/2013/03/21/jopart.mut017.abstract>

These articles represent peer-reviewed findings based on the same data and conducted by many of the same researchers who conducted the original evaluation covered in the SCDP reports. Peer-reviewed journals represent the gold standard of scientific findings, and so these findings are of particular interest. These differ from the reports published in the original SCDP reports,⁵ which were not subjected to the same scrutiny that academic peer-reviewed articles receive.⁶ Thus, they represent an updated and more rigorous analysis of the reports produced by the SCDP in recent years.⁷

Unfortunately, a forthcoming peer-reviewed study on student attainment using the SCDP data has not yet been published and is not able to be reviewed here.⁸ For context, the findings from SCDP report 30 are included.

Additionally, a non-peer-reviewed internal DPI analysis looking at student performance before and after switching to both the Racine and Milwaukee Parental Choice Programs finds:

- MPS students who switch into MPCP experience one year declines in reading and math scores. These declines are roughly equivalent in size to the gap between free and reduced price lunch (FRL) and non-FRL students in mathematics and $\frac{1}{2}$ of that gap in reading scores on the Wisconsin Knowledge and Concepts Exam (WKCE).
- This study was done using more recent data than that available to the authors of the peer-reviewed literature and uses test scores from all students in MPCP and MPS available in DPI's longitudinal data system instead of a sample.
- This finding held across two types of analyses, the first comparing students to themselves before and after the transfer into a choice school, the second comparing students who transferred into choice programs to similar students who remained in public schools in Racine and Milwaukee.

⁵ <http://nepc.colorado.edu/thinktank/review-Milwaukee-Choice-Year-5>

⁶ Though they received scrutiny in the popular press: <http://nepc.colorado.edu/thinktank/review-milwaukee-choice-4>

⁷ <http://www.uaedreform.org/school-choice-demonstration-project/>; and from the LAB:

<http://legis.wisconsin.gov/lab/reports/12-14full.pdf>

⁸ The text of this article was not available as of the time of press: Joshua M. Cowen, David J. Fleming, John F. Witte, Patrick J. Wolf, and Brian Kisida, "School Vouchers and Student Attainment: Evidence from a State-Mandated Study of Milwaukee's Parental Choice Program," *Policy Studies Journal*, forthcoming in 2013

Direct quotations from peer-reviewed studies regarding the MPCP program using data from the SCDP are provided here. (DPI emphasis indicated)

1. Peer-reviewed research on who leaves voucher programs:

Cowen, Josh; Fleming, David; Witte, John and Patrick J. Wolf. 2012. "Going Public: Who Leaves a Large, Longstanding, and Widely Available Urban Voucher Program?" American Educational Research Journal (April 2012) (pp. 231-256).

- a. "About 85% of students in our sample are in schools with more than 75% of students using vouchers, so these results imply **that for the vast majority of students, the more voucher users in the school, the more likely they are to leave.**" (p.248)
- b. "All else equal, **the better a student performed on a test, the less likely he or she is to move to the public school.**"(p.245)
- c. "**Students in the middle income bracket (\$35,000–\$50,000 a year) are less likely to do so [move to MPS] than students in the reference category of income below \$25,000** The voucher program is means-tested in rough alignment with federal free/reduced lunch standards. Among all students in Milwaukee, nearly 9 in 10 are eligible for the MPCP (Witte et al., 2008), and this indicates that the higher income group is among the economically more advantaged in the data. This inverse relationship between income and a switch to the public sector may indicate among this generally disadvantaged population, students who are even slightly better off financially are better able to take advantage of private schooling." (p.245)
- d. Regarding private schools within MPCP: "**Clearly the most common responses were dissatisfaction with the quality of schooling (24% of all respondents who ever moved [to] public schools) and inadequate handling of a student's special needs (11%).** Only 3% of respondents had students who were expelled, another 2% had students asked to leave, 3% said they did not feel their child was safe, and only 2% said they could not afford expenses incurred beyond the voucher. Thus, the two responses most related to academic quality—citing quality and citing special needs—appear to be primary among explanations by parents whose children ultimately switched sectors. This is suggestive evidence, but considered with the prior test score estimates in predicting attrition from the voucher program, it does support the possibility that some parents are switching because their children are not well served in that environment." (p.250)
- e. "Although several voucher studies have determined that on average, parental satisfaction increases as a result of participation in a voucher program, the results here indicate—at least in our data—that such satisfaction is not universal among voucher users. **Indeed, the results of a larger array of survey data reported elsewhere (Witte, et al., 2008) suggest relatively similar levels of parental satisfaction in both sectors in Milwaukee.**" (p.252)
- f. "**One implication is that we should expect high rates of turnover to be among the features of widely available voucher programs if the majority of participating schools are depending on the program to exist.**" (p.252)

2. Peer-reviewed research on what public schools students leave private schools in the MPCP for and how they perform:

Carlson, Deven and Josh Cowen. Forthcoming. "Life After Vouchers: What Happens to Students Who Leave Private Schools for the Traditional Public Sector?" Educational Evaluation and Policy Analysis (June 2013).

- g. "In general, **all students who transfer to the public sector realize significant achievement gains after doing so**, although **these gains are estimated to be larger for low-performing students** than for their higher achieving peers—a somewhat surprising finding, given the characteristics of the schools attended by these two groups of students." (p. 193)
- h. Regarding results being attributable to a positive experience in MPCP: "The results presented in Figure 1 and Table 6 provide a generally consistent substantive story. Prior to transferring to MPS, students experience a multiyear slide in achievement. After enrolling in the public schools, students exhibit a notable increase in their math and reading scores. The achievement growth occurs most intensely in the 1st year post-transfer but appears to continue into the 2nd year as well. Considered as a whole, the evidence indicates that the results presented in Table 5 are not attributable, at least wholly, to a reversion to the mean after an uncharacteristically poor academic year in the MPCP." (p. 191)
- i. "Concerns have been voiced that granting families the ability to choose their schools **will result in greater stratification along academic and demographic dimensions**. **The results presented in this article demonstrate that such concerns may be warranted**: Low-achieving students attend MPS schools that are, by accepted measures, of lower quality than the MPS schools attended by their higher achieving peers. At the same time, however, low-achieving students exhibit greater achievement gains than do transfers who exhibit better performance, a fact that complicates a normative interpretation of any potential stratification." (p.194)
- j. "Our results indicate that **students who leave the voucher program and enroll in MPS are disproportionately disadvantaged relative to both their new public school peers and typical voucher students**. After leaving the MPCP, low-achieving students tend to enroll in low-performing, less effective public schools, whereas high-achieving students generally attend higher performing, more effective schools in MPS. However, all students exhibit increased levels of achievement in both reading and mathematics after transferring, and the magnitudes of these increases are not negligible; on average, they are in the range of 0.15 to 0.20 standard deviations. **Focusing on the average effect, however, masks the fact that the achievement effects of moving from the MPCP to MPS are somewhat larger for low-performing students than for their higher achieving peers**" (p. 180)
- k. "Whether we consider the fixed-effects estimates of Equation 3 or the value-added estimates of Equation 4, these results indicate **that former voucher students exhibit significant achievement increases in both reading and math after they transfer to the public schools** ... In most cases, the magnitude of **these estimates is substantial, comparing favorably to the effects of several well-known interventions, such as class size reduction** (Krueger, 1999)." (p.189)
- l. "The Data section presented the characteristics of the MPS schools into which students enroll, but our data—and all other data of which we are aware—do not permit calculation of reliable measures of quality or demographic composition of the MPCP schools. Consequently, we are unable to discern how students' transfers from the MPCP to MPS may have changed their educational environments. **Our inability to assess the extent to which transferring from the MPCP to MPS resulted in a change in school or peer quality highlights the potential benefits of more thorough data collection on student achievement and the demographic composition of private schools, particularly those receiving public funding for their operations.**" (p. 193)
- m. "Given the timing of the WKCE administration, coupled with the evidence on the generally similar effectiveness of the two sectors, it would be surprising if these achievement increases were fully attributable to knowledge increases stemming from

MPS enrollment. Seemingly more plausible is a scenario where these 1st-year achievement increases are attributable to MPS placing a heavier emphasis on WKCE performance than the MPCP. Although the results presented in Tables 5 and 6 are fully consistent with this conjecture, the evidence is clearly not definitive." (p.192)

3. Peer-reviewed research on the importance of accountability to voucher school performance:

Carlson, Deven. Cowen, Joshua. Fleming, David. 2013. Third-Party Governance and Performance Measurement: A Case Study of Publicly Funded Private School Vouchers. In Journal of Public Administration Research and Theory (*forthcoming*).

- n. "Results of our analyses demonstrate that **the performance measurement system produced gains in student achievement and that the magnitudes of these gains are substantial**; they range from about 0.1 to nearly 0.2 SDs depending on the subject and analytical approach." (p.20)⁹
- o. "**Instead, our results provide clear evidence that in the first year in which the performance of each private school would be reported to the public, test scores of students within each private school rose dramatically.**"(p.20-21)
- p. "In our view, the most likely explanation is that MPCP schools anticipated that families would use the measured achievement outcomes in future schooling decisions and thus took actions—such as increased emphasis on the WKCE or better alignment between curriculum and the test—designed to maximize student performance on the WKCE. Such a result is anticipated in earlier work on performance measurement in public schools (e.g., Dee and Jacob 2011; Jacob 2005). **If it is indeed the case that private schools took such actions here, they were conveying an implicit belief that parents valued test score outcomes—suggesting that the market was not suffering from a failure of preference substitution—and that a school's performance on these tests could affect families' future educational decisions.** More directly, because voucher funds are distributed on a per-pupil basis and because many of the schools participating in the MPCP rely on voucher funds as their primary source of revenue, schools may have reasonably believed that poor achievement results could jeopardize the continued existence of that school. Put in a broader theoretical context, the evidence is suggestive of a scenario where **Milwaukee contained a sufficient number of schools to support a competitive market for education, but parents lacked the requisite information to make a fully informed decision among educational providers; the MPCP was plagued by a failure of preference error** (Lowery 1998)." (p.21)
- q. "One popular position in this debate holds that all accountability should be completely market based, with no formal testing or accountability requirements. This view was expressed succinctly by the spokesman for Louisiana Governor Bobby Jindal when explaining why private schools in the state's expanded school voucher program would not be subjected to any state-based accountability system. He stated, "Parents are the best accountability measures, not government" (Economist 2012). **Our results suggest that even if schools are genuinely competing for students, government may induce higher levels of performance by making it possible for parents to weigh school outcomes in their decision process—a conclusion predicted in earlier work on school choice** (e.g., Hastings and Weinstein 2008; Lowery 1998; Smith and Meier 1995)." (p.22)

⁹ SDs refers to standard deviations – a standardized unit of measure used to report statistical analyses of scores on achievement tests.

4. Non-peer-reviewed evidence on educational attainment in MPCP¹⁰

- r. "Table 2 provides the estimates of Equation 1 and these indicate that the difference associated with attending MPCP in 2006 with respect to the probability of graduation is statistically significant at a p<0.10, but not at the conventional p<0.05 level." (p.7, report 30)¹¹
- s. "**A second caveat is that the majority of students (approximately 56 percent) who were enrolled in 9th grade in MPCP were not enrolled there by the time they reached 12th grade.** The results of this paper as a whole should therefore be interpreted as the effect of "exposure" to the MPCP rather than long-term persistence in that sector. As we are reporting elsewhere in an academic journal (Cowen, et al. forthcoming), there is evidence that the students who leave MPCP for public schools are among the lowest performing private school students. **This would imply that even if our estimates of persistence in the voucher sector are internally valid—i.e., there is a selection-adjusted private school impact—they cannot be generalized to the population of students who ever seek and use a voucher**" (p.16)
- t. "Thus if the results we present here are interpreted as evidence that MPCP students are performing slightly better on one metric—attaining a given level of education—**they do not support a comprehensive conclusion that the MPCP necessarily provides a better learning environment than MPS.** Although we believe that high school graduation and college enrollment are critically important, we suggest that only through focus on a variety of educational outcomes can the true picture of voucher impact in Milwaukee fully emerge."(p.17)

DPI non-peer-reviewed supplemental analysis on the effect of switching into a voucher program:

DPI conducted a supplementary analysis to evaluate the achievement effect of students switching from the public school sector to a choice school.¹² Such a question is of particularly high interest to inform discussions about choice expansion as the effect of switching sectors must be taken into account when evaluating the potential effectiveness of school choice as an intervention aimed at improving student outcomes.

The findings show that students who move from Milwaukee or Racine public schools to a MPCP or PPSCP private school experienced stagnant test score growth while they were enrolled in public schools. However, after transferring to private voucher schools, these same students experienced an average decline of 16.6 scale score points in reading, and an average decline of 32.6 scale score points in mathematics.¹³

¹⁰ Peer-reviewed version of this study has been accepted but the text of this article was not available as of the time of press: Joshua M. Cowen, David J. Fleming, John F. Witte, Patrick J. Wolf, and Brian Kisida, "School Vouchers and Student Attainment: Evidence from a State-Mandated Study of Milwaukee's Parental Choice Program," Policy Studies Journal, forthcoming in 2013

¹¹ http://www.uark.edu/ua/der/SCDP/Milwaukee_Eval/Report_30.pdf

¹² DPI examined students who were enrolled in public schools in Milwaukee and Racine from 2008-09 to 2010-11, and then transferred to a MPCP or PPSCP (Racine) voucher school in the 2011-12 or 2012-13 school year. The year-to-year changes in student test scores were examined, comparing the academic growth of students when they were in voucher schools.

¹³ Change represented in scale scores comes from calculating scale score equivalents after normalizing assessment results to allow comparisons across years and grades.

DPI found that students who transferred from public schools to voucher schools experienced average declines of 17.3 scale score points in reading, compared to similar students who remained in public schools. Similarly, students who switched from public schools to voucher schools experienced average declines of 33.4 scale score points in mathematics, compared to similar students who remained in public schools.¹⁴

These reductions are equivalent in size to the gap between FRL and non-FRL students statewide in the case of mathematics, and $\frac{1}{2}$ the gap between FRL and non-FRL students in reading. **In other words, moving to a choice program from MPS or Racine Public Schools results in a drop in performance similar in size to the gap in performance associated with being identified as economically disadvantaged.**

There is no evidence that students who transfer from public schools to voucher schools experience greater achievement gains than students who remain in public schools. In fact, students who transfer between sectors, either when compared to their previous academic performance or to their peers who remain in public schools, appear particularly vulnerable to declines in academic performance.

Figure 1: DPI Study Results

Effect of Enrollment in Voucher Schools, Controlling for Demographics and Prior Achievement		
	Effect on Reading Scores	Effect on Math Scores
Estimated Voucher Effect	-17.3	-33.4
Standard Error	4.5	4.3
Level of Statistical Significance	99%	99%

42,560 students were in the total sample for this analysis. 2,485 students switched between sectors and were identifiable from DPI administrative records. Records from 2008-09 to 2010-11 were used for public school assessment data and 2011-12 to 2012-13 assessment data for private schools.

¹⁴ These estimates are not causal estimates since DPI's data is unable to isolate the negative effect of switching schools in general from the effect of switching into a voucher school. However, these results complement the evidence presented by Carlson, et al. 2013, which found substantial performance gains for students switching out of a voucher program and into MPS.