

Research Brief

New regulations impacting school choice program: School closures up, number of new schools down

Between the 2008-09 and 2009-10 school years, fewer new schools joined the Milwaukee Parental Choice Program (MPCP) than ever before. In addition, 14 MPCP schools closed and another three schools merged—the most year-over-year closures the program has seen (Chart 1).

In this 12th edition of the Public Policy Forum's annual census of MPCP schools, we find 112 schools are participating in the choice program, enrolling 21,062 students using taxpayer-funded tuition vouchers. The number of full-time equivalent students using vouchers is greater than in any other year of the program's 19-year history; however, there are fewer schools participating today than earlier this decade (Chart 2, page 2).

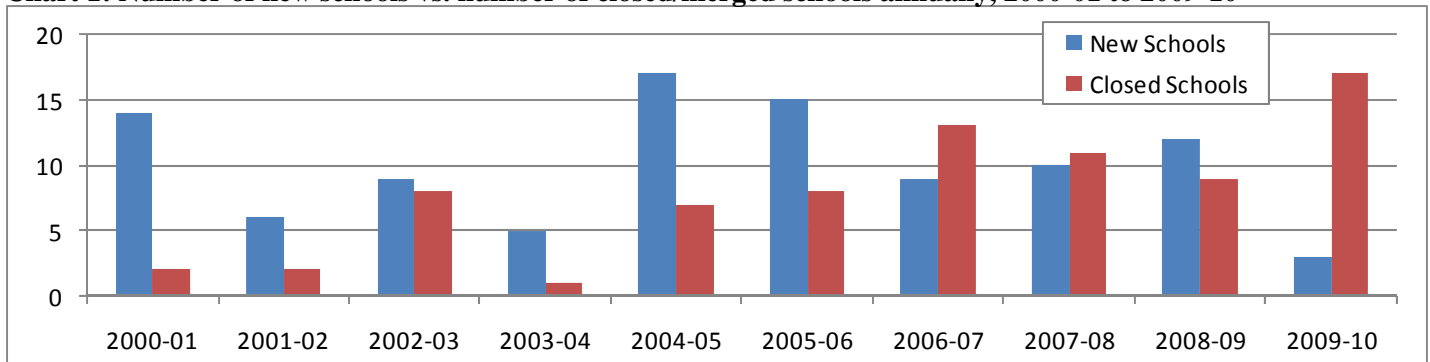
The decline in the number of new schools and the increase in the number of closed schools are likely due to new state regulations governing the program. These regulations require schools new to the program to obtain pre-accreditation before opening and require existing schools to become accredited within three years of joining the program.

Throughout this decade, the average number of schools new to the program had been 11 per year. Under the new pre-accreditation requirement, 19 schools applied for pre-accreditation, but just three were approved. Another 38 schools had previously indicated to state regulators an intent to participate in the program in 2009-2010, but did not apply for pre-accreditation. The pre-accreditation process is conducted by the Institute for the Transformation of Learning (ITL) at Marquette University.

In addition, 13 of the 14 schools that closed over the past year were not accredited. Meanwhile, one school that has been part of the MPCP since its beginnings in 1990, Harambee Community School, may have to close this year after failing to earn accreditation by the Wisconsin Religious and Independent Schools Association.

In addition to focusing on the impact of new regulations, this year's census focuses on enrollment trends and issues pertinent to schools in high-poverty neighborhoods.

Chart 1: Number of new schools vs. number of closed/merged schools annually, 2000-01 to 2009-10



Key Findings

- Voucher use this year is higher than in any other year, at 21,062 MPCP students, 818 more students than last year. This 4% growth rate is the smallest since 2005-06.
- Fewer schools participate in MPCP this year, due to the closure/merger of 17 schools and just three new schools joining the program, the fewest in the program’s history.
- Enrollment growth is concentrated: the seven schools with the most new MPCP students account for the entire growth in the program.
- A few schools experienced large swings in MPCP enrollment over the past two years. Three schools among those losing the most students in 2008-09 were among those gaining the most students in 2009-10.
- MPCP enrollment by grade level continues to smooth out. This is the second year without a significant drop in enrollment from K5 to 3rd grades. MPCP enrollment now roughly equals 30% of MPS enrollment at all grade levels except high school.
- On the aggregate, MPCP enrollment continues to have less attrition from 9th to 12th grade than does MPS enrollment. In 2009-10, the number of MPCP 12th graders reflected 67% of the 9th grade enrollment four years prior. The corresponding figure for MPS is 51%.
- Many MPCP students attend non-integrated schools. Of the 100 schools providing data on the racial composition of their enrollments, 75 have

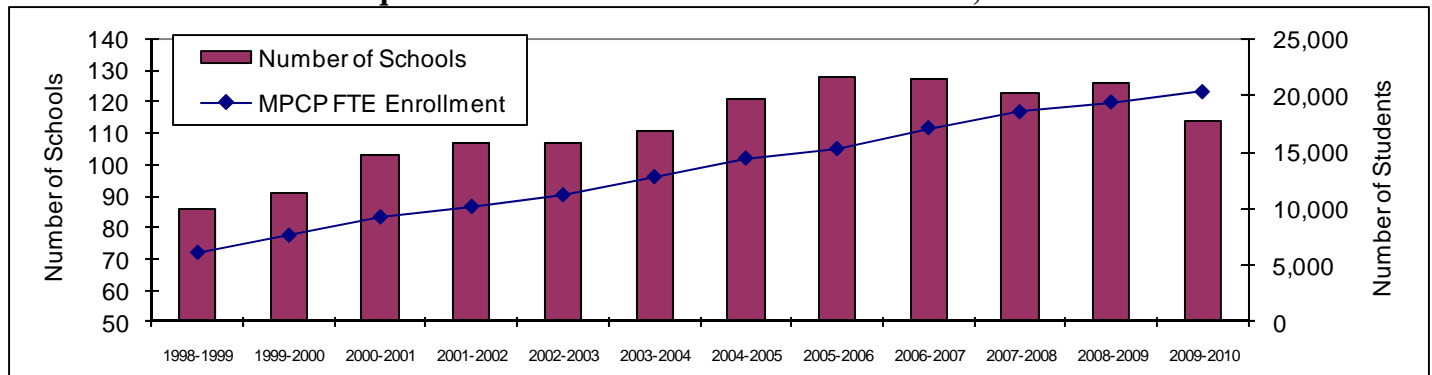
student bodies of more than 90% minority students.

- MPCP schools serve low-income neighborhoods. Nearly half of all MPCP schools are located in the city’s nine most-impooverished zip codes. Over half (55%) of all MPCP students attend school in these zip codes.
- A new requirement to report MPCP students’ test scores to the Wisconsin Department of Public Instruction will affect the 102 schools administering standardized tests this year. All schools will have to use the same state standardized tests as public schools starting in 2010-2011.
- All schools participating in the program for at least three years must now be accredited. Only one school has not been able to meet this requirement. Of schools new to the program in the past three years, 20 continue to work toward accreditation.
- Currently 18 schools meet the accrediting requirement via their relationships with PAVE, an organization that does not consider itself an accrediting agency and encourages schools to seek accreditation elsewhere.

Methodology

The Forum’s census questionnaire is mailed annually in October to all schools participating in the MPCP. Follow-up calls and visits are made to achieve a response rate of 100%. In 2009-2010, three schools refused to complete the census questionnaire. Data for those schools were obtained from the state, from prior census participation, or from newspaper articles. In addition, to ensure reliability, data on MPCP enrollment is provided by the Wisconsin Department of Public Instruction. With those exceptions, all data analyzed in this brief come from the census.

Chart 2: MPCP full-time equivalent enrollment and number of schools, 1998-99 to 2009-10



Trends in enrollment growth

The Milwaukee Parental Voucher Program grew by 860 students, a 4% increase over last year (Chart 3). This is the third year of decelerated growth after the enrollment cap was lifted for the 2006-2007 school year. The relatively small increase in students is partially related to the small number of new schools opening for 2009-2010. As noted on page 1, this steep decline in the number of new schools is likely due to a state requirement that schools new to the program receive pre-accreditation. Last year, much of the new enrollment in the program was driven by the enrollment in schools new to the program (Chart 4).

Growth in enrollment is not evenly disbursed across the participating schools. In fact, on the aggregate, the growth in just seven schools accounts for the total enrollment growth in the program (Table 1, page 3). While student-level data that would show the movement of individual voucher users into and out of each school is not available, the churn in enrollment in the schools is apparent when the schools are ranked by the number of voucher users they gained or lost over the prior year. Of the 10 schools gaining the most voucher students in 2009-2010, three had lost voucher students in 2008-2009.

The enrollment share of the 10 largest schools in the program has remained relatively stable this decade, ranging from 28% to 33% (Chart 5). Thus, the overall growth in enrollment in the program is mostly attributable to growth in formerly small schools.

Again this year, the schools reported to DPI an ability to enroll many more voucher students than actually enrolled (Table 2, page 3). In fact, based on the schools' predictions of how many voucher students they would enroll this year, the average MPCP school is under-capacity by nearly 60 students. If each school had enrolled voucher students to capacity, the program would have grown by 50% this year.

Chart 3: Percent change in MPCP enrollment

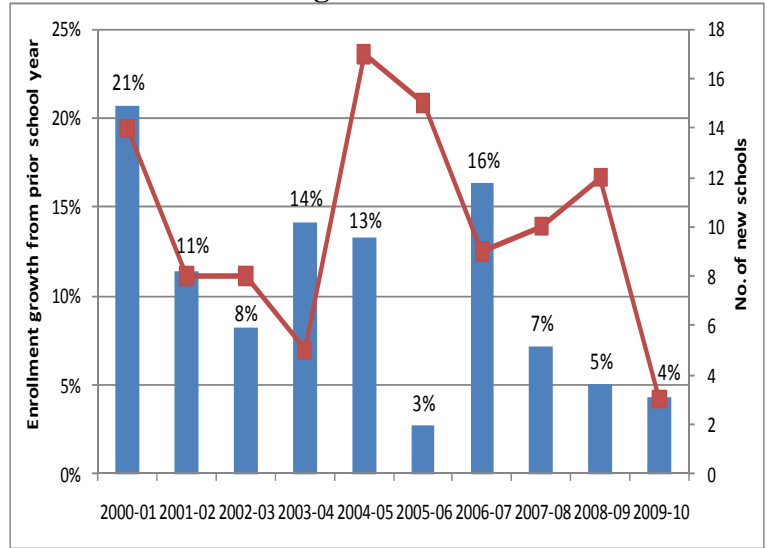


Chart 4: Total enrollment growth vs. new school

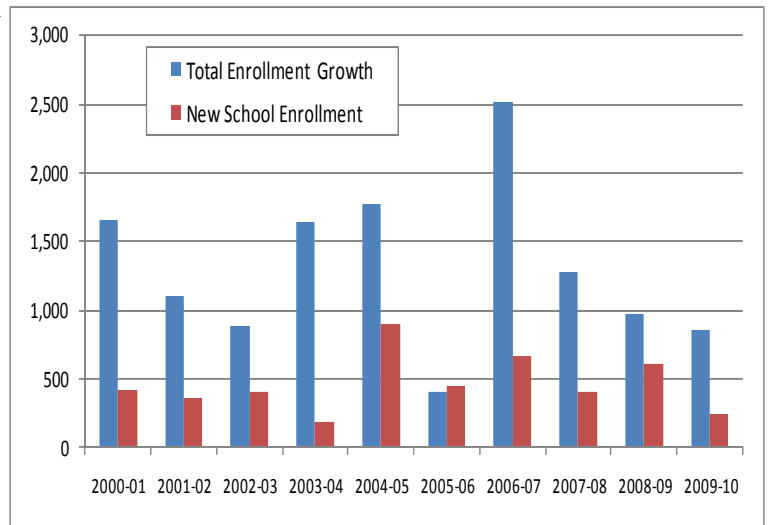


Chart 5: Market share of ten largest voucher schools

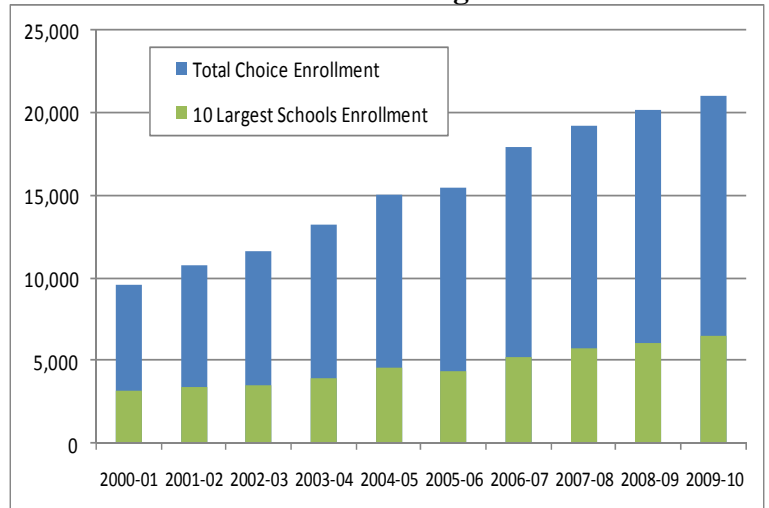


Table 1: Schools gaining and losing most voucher users, 2008-09 to 2009-10

School Name	Years in MPCP	2008-09 headcount	2009-10 headcount	Change in voucher users	Change in payment
St. Anthony School	12	1,021	1,277	256	\$ 1,649,152
Ceria M. Travis Academy, Inc.*	13	278	401	123	\$ 792,366
Hickman Academy Preparatory School	13	269	383	114	\$ 734,388
HOPE Christian School: Fortis	5	68	166	98	\$ 631,316
Salam School	12	424	517	93	\$ 599,106
Excel Academy*	6	195	285	90	\$ 579,780
Travis Technology High School	4	142	231	89	\$ 573,338
Resurrection Christian Academy	5	76	163	87	\$ 560,454
Dr. Brenda Noach Choice School*	9	87	170	83	\$ 534,686
Institute of Technology and Academics	3	138	205	67	\$ 431,614
Clara Mohammed School, Inc.*	12	185	175	-10	\$ (64,420)
St. John Kanty School	12	171	161	-10	\$ (64,420)
Gospel Lutheran School	12	55	40	-15	\$ (96,630)
St. Catherine School	12	193	177	-16	\$ (103,072)
Sharon Junior Academy	12	74	57	-17	\$ (109,514)
Outlook University Independent Sch Network	2	116	98	-18	\$ (115,956)
Pius XI High School*	12	204	183	-21	\$ (135,282)
Believers in Christ Christian Academy	12	216	191	-25	\$ (161,050)
Jared C. Bruce Academy	8	234	188	-46	\$ (296,332)
Urban Day School	20	679	545	-134	\$ (863,228)

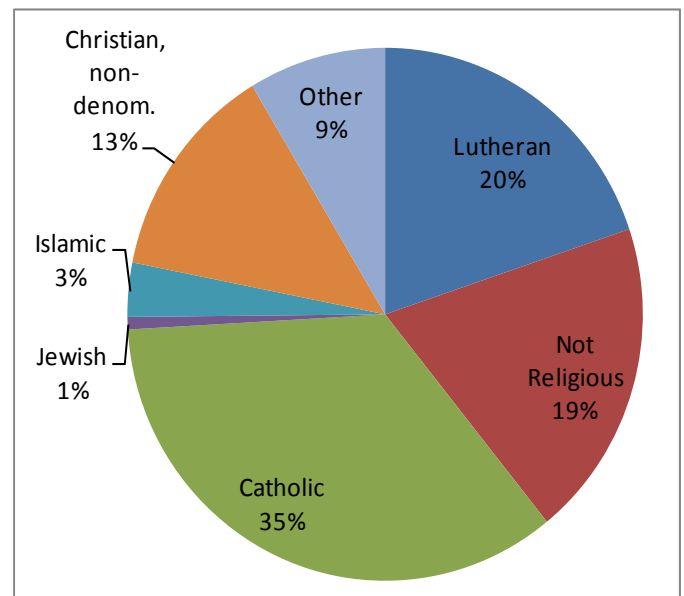
Bold indicates was in top ten for change in voucher users last year as well.

* Indicates was in bottom ten for change in voucher users last year.

Table 2: Accuracy of school enrollment estimates

Number of 2008-09 MPCP schools predicting 2009-10 voucher use	105
Number of schools predicting a loss of voucher uses from 2008-09 to 2009-10	4
Number of schools with an actual loss of voucher users from 2008-09 to 2009-10	29
Average predicted number of voucher users gained	77
Average actual number of voucher users gained	18
Average predicted rate of growth in voucher users	46%
Average actual rate of growth in voucher users	4%

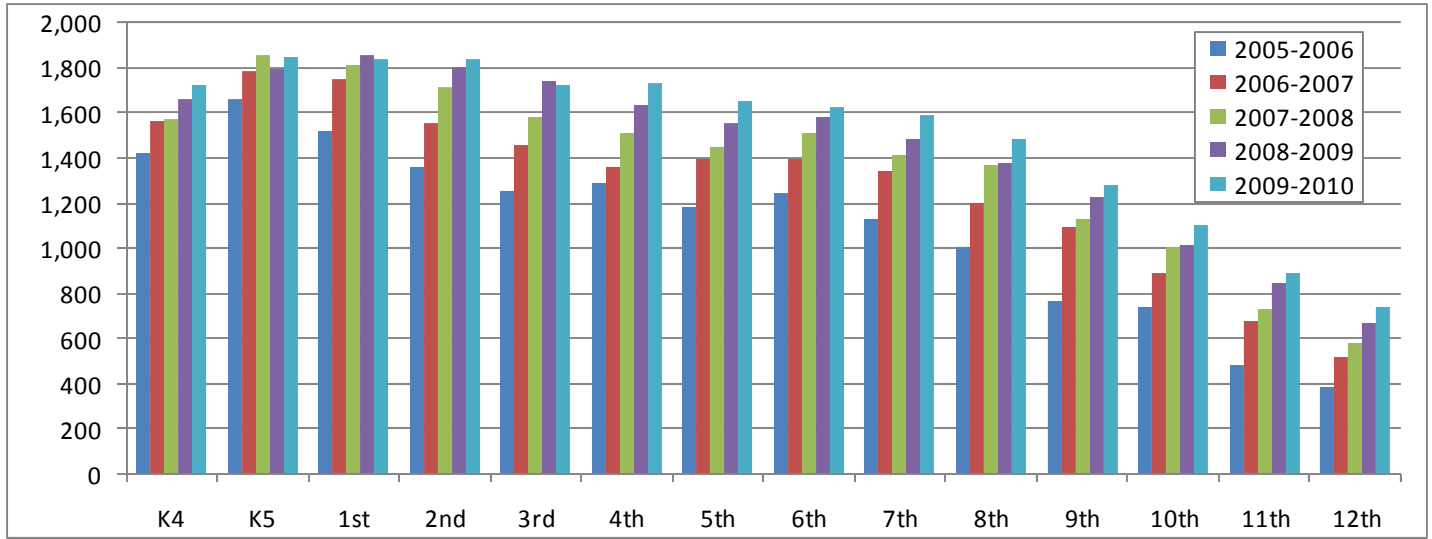
Chart 6: Voucher enrollment by religion, 2009-10



Catholic schools continue to enroll more voucher students than any other type of sectarian school, with 35% of voucher enrollment, while enrollment is up two percentage points in Lutheran schools as compared to last year (Chart 6). The non-denominational

Christian schools lost a little market share over last year, when they enrolled 17% of all voucher students. Secular schools continue to enroll just less than one-fifth of all voucher students.

Chart 7: MPCP enrollment by grade, 2005-06 to 2009-10



MPCP as compared to MPS

While school-by-school data on student achievement is not made available for MPCP schools, analyses of the achievement of voucher users on the aggregate has found their performance on standardized tests to be similar to that of MPS students. (See the results of the School Choice Demonstration Project at www.uark.edu/ua/der/SCDP.html.)

This may have been at least partially explained by the fact that MPCP has tended to attract more students in grades Kindergarten through 2nd, who are too young for standardized testing. However, this year’s data indicate the second year that enrollment across grade levels in MPCP has smoothed out. In fact, there is no longer a dramatic drop-off in enrollment from Kindergarten to 3rd grade (Chart 7).

Indeed, voucher use as a percentage of MPS enrollment now hovers around 30% at all grade levels except high school (Table 3). This indicates that demand for vouchers is more consistent across grade levels than it had been previously, when demand was greatest for the youngest, untested grades.

At the high school level, however, voucher use as a percent of MPS enrollment is much lower, at about 16%. This may be because there is less demand at the high school level, but it is more likely because there are significantly fewer MPCP schools serving high school students than grades K-8.

Chart 8: High school enrollment cohort analysis

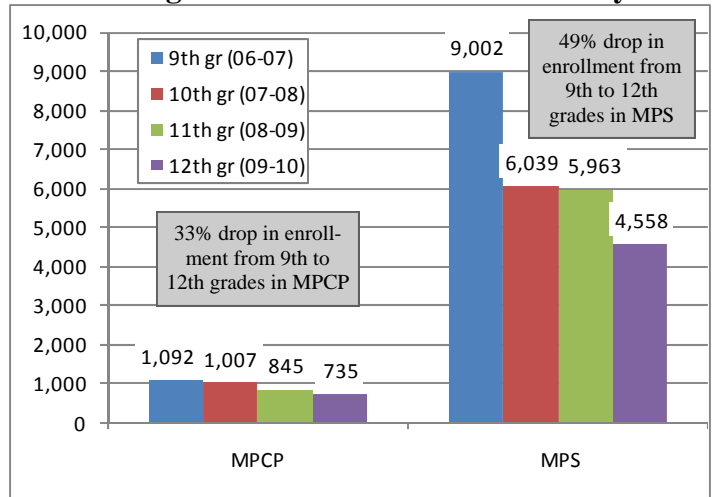


Table 3: MPS and MPCP enrollment by grade, 09-10

	MPS enrollment	MPCP enrollment	MPCP as % of MPS
K3	1,648	0	--
K4	5,517	1,721	31.2%
K5	6,205	1,852	29.8%
Gr 1	6,083	1,837	30.2%
Gr 2	5,859	1,838	31.4%
Gr 3	5,823	1,725	29.6%
Gr 4	5,814	1,729	29.7%
Gr 5	5,666	1,652	29.2%
Gr 6	5,421	1,629	30.0%
Gr 7	5,131	1,587	30.9%
Gr 8	5,198	1,487	28.6%
Gr 9	7,679	1,278	16.6%
Gr 10	6,032	1,104	18.3%
Gr 11	5,810	888	15.3%
Gr 12	4,558	735	16.1%
TOTAL	82,444	21,062	25.5%

On the aggregate, the difference in enrollment between today's 12th graders and the 9th graders of four years prior is lower for MPCP schools. In other words, the aggregate drop-out rate for MPCP schools is better than for MPS (Chart 8, page 5).

Racial Makeup of MPCP schools

Fewer schools provided information on the racial and ethnic make-up of their student bodies this year. However, of the 100 schools for which 2009-2010 data are available, 75 have student enrollments of at least 90% minority students. In 2008-2009, 78 of 111 schools enrolled at least 90% minority students. Currently, there are 36 schools with 100% minority enrollments, one more than last year (Table 4).

When it comes to the racial make-up of the school teaching staffs, the picture is very different. Of the 94 schools that provided staffing data this year, 18 have staffs that are at least 90% minority, with 15 of those having 100% minority staffs. Last year, 18 schools reported having staffs that were 100% minority.

Table 4: Racial makeup of MPCP schools, 2009-10

% Minority Enrollment	Schools
100% Minority	36
90-99.9% Minority	39
70-89.9% Minority	7
50-69.9% Minority	5
<50% Minority	13

Table 5: Most impoverished Milwaukee zip codes

Zip Code	MPCP schools, 2009-10	Total enrollment, 2009-10	MPCP enrollment, 2009-10	Traffic accidents, % hit & run, 2008	Ex-offenders released, 2007	Homes at sheriff's sale, 2008	Food stamps, children 2009	Tax filers below 185% poverty, 2007	Source: Socio-economic analysis of neighborhood issues facing Milwaukee Public Schools students and their families, May 2009 University of Wisconsin-Milwaukee, Employment and Training Institute
53204	6	2,263	2,293	46%	383	181	8,789	84%	
53205	2	721	583	32%	624	67	2,986	78%	
53206	8	1,399	1,275	42%	709	450	8,219	84%	
53208	10	2,542	1,443	34%	451	296	5,976	69%	
53210	9	1,178	980	35%	511	465	5,911	70%	
53212	8	2,035	1,908	31%	591	287	5,340	75%	
53216	4	4,367	858	31%	471	384	4,994	62%	
53218	5	1,952	1,920	27%	445	453	7,956	65%	
53233	3	509	458	26%	177	16	1,059	63%	
Total	55	16,966	11,718	35%	4,362	2,599	51,230	73%	

MPCP in high poverty neighborhoods

A May 2009 report by the Employment and Training Institute at the University of Wisconsin-Milwaukee analyzed nine Milwaukee zip codes with high concentrations of poverty for factors found to often impact student outcomes. The intent was to provide public schools with information about the needs of their students, but it is clear that many of the private schools are affected by the city's poverty as well.

In addition to being high poverty, these zip codes have high rates of crime, hit and run traffic accidents, returning ex-offenders, home foreclosures, unemployment, and food stamp enrollment (Table 5).

There are 55 MPCP schools operating in the nine zip codes analyzed, enrolling nearly half of all voucher students. Of these 55 schools, 42 are religious schools, including 12 Catholic schools and 12 Lutheran schools. Over half of these schools (26 schools) have participated in the MPCP for 10 or more years. Ten schools opened less than 3 years ago.

Although data are not available to show whether the students in these schools do, in fact, live in these neighborhoods, it is important to note that a large portion of MPCP schools and students are functioning in the highly impoverished and at-risk neighborhoods. The ability of these schools to provide a stable and secure environment is therefore critical.

New regulations to come in 2010

Assessments

Starting in the 2010-2011 school year, all MPCP schools will be required to administer the same state standardized tests to their MPCP students as public schools. While the public schools must administer these tests to meet the requirements of the federal No Child Left Behind Act, the private schools will not be subject to sanctions under that law.

Requiring MPCP students to take state tests likely will require many schools to either switch to the state tests or administer them in addition to the other tests they currently use. Whether or not schools are currently using the state tests, called the Wisconsin Knowledge and Concepts Exams (WKCE), varies by grade level. For example, of the 89 schools offering 3rd grade this year, 46 report administering the WKCE in 2009-10. Yet of the 26 schools offering 10th grade, just eight administer the WKCE.

In August 2010, schools administering standardized tests will be required to report MPCP students' test scores to DPI for the first time. This new requirement will affect most schools, as 102 schools report administering at least one standardized test in 2009-10. The test used most frequently is the WKCE (Chart 9).

Governing boards

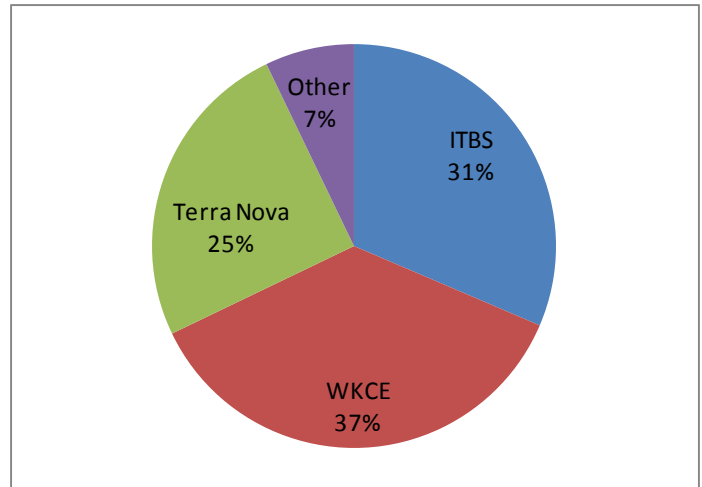
All schools also will soon be required to report to DPI the names of those serving on their governing board, if they have one. Of this year's schools, 86 indicate they currently have a governing board, with 57 indicating they have parents serving on the board. As the make-up of the private schools' governing boards becomes public, there may be more incentive for schools to include parents on these boards.

Accreditation

The 2009-2011 biennial budget requires new schools to become pre-accredited prior to joining the program, starting in the 2009-2010 school year. As discussed previously, this requirement led to a sharp decrease in the number of new schools and likely contributed to this year's smaller growth in total program enrollment.

The 2005-2007 biennial budget required schools to become accredited by an independent accrediting agency with three years, or for new schools, within

Chart 9: Tests taken by MPCP schools, 2009-10



three years of joining the program. Ninety-three schools this year report being accredited, while 20 schools report working towards accreditation. One school was not able to become accredited within three years and may be suspended from the program, pending an appeal.

Of the 16 different accrediting agencies, the Wisconsin Religious and Independent Schools Accreditation agency (WRISA) is the most used agency, with 49 schools accounting for 42% of MPCP enrollment (Chart 10). The Archdiocese of Milwaukee is the next most popular agency, accounting for 14% of the total enrollment.

Accreditation and its impact on the churn of new and former schools will be important to monitor in the future, particularly since the Institute for the Transformation of Learning (ITL), both an accrediting and pre-accrediting agency, will be closing its doors in 2011.

Chart 10: MPCP enrollment by accrediting agency

