### **EXECUTIVE SUMMARY**

# ROLL CALL

A Landscape Review of the Students, Financing, and Performance of Milwaukee's K-12 Schools





Three decades after Milwaukee became a national leader in overhauling its K-12 education system, options for Milwaukee families in selecting a school have increased greatly. But have these broadened options been accompanied by improvements in the overall quality of K-12 education in Wisconsin's largest city, and what does the answer mean for the city's future?

This report takes stock of the changes that have occurred in the city's overall "system" of schools, including student enrollment and demographics, financing, and outcomes. Work began in fall 2023 as an update to our 2014 series on the topic, with a goal of grounding both current and future policy discussions in important facts and nonpartisan insights. In light of the recent upheaval in Milwaukee Public Schools (MPS), we hope it is now particularly valuable to policymakers and residents as they consider how to improve educational quality in Milwaukee, where regardless of school type – MPS, charter, and private options – too few children are receiving an adequate education.

### Student Enrollment Falls, Vulnerable Population Remains High

Milwaukee's youth population has declined dramatically even as schooling options outside of MPS have become more popular. Key observations from our analysis of enrollment and demographics include the following:

- Total student enrollment in Milwaukee is falling but enrollment in charter schools and private choice programs has increased. Declining birth rates and migration out of the city left Milwaukee with 26.8% fewer youth under the age of 18 in 2020 than in 2000. Traditional MPS schools (i.e., not including MPS-authorized, independently-run charters) have felt the brunt of this decline, with a total enrollment drop of nearly 30,000 students (32.8%) between 2006 and 2024, including over 22,000 Black students and over 8,000 white students. Over the same period, both charter school and private choice program enrollment both funded publicly *expanded* in the city, by 8,372 (114.3%) and 14,239 students (89.8%) students, respectively. Birth data indicate that overall enrollment declines are likely to continue within Milwaukee, further increasing competition between the sectors.
- The remainder of Milwaukee's students enroll in a school district besides MPS through the Open Enrollment or Chapter 220 integration program, are homeschooled, or pay to attend private school. Open Enrollment is now the fourth most popular schooling option for Milwaukee families, with 5,766 students participating in 2023. Home school enrollment also increased marginally in recent years. On the other hand, student enrollment in the Chapter 220 integration program plummeted as lawmakers phased it out, as did the number of students who attend private school without a state-funded tuition voucher. Despite the latter dropping by nearly three-quarters (74.8%) from 2006 to 2024, Milwaukee's private schools educated *more* students in 2024 than in any of the last 18 years, increasing by 20.2% thanks to the expansion in private choice program participation. That growth ran counter to the state's overall private school enrollment *decline*.
- As the city has lost youth, its overall student population has become less white and more diverse, with more English learners and high rates of child poverty. As of 2023, MPS, charter schools, and private choice programs in the city all served at least 90% students of color and over 75% economically disadvantaged students, some of the highest rates in the state. English learners are on the rise across all three sectors, comprising 14.0% of the city's student population in 2023. The need in the city is hard to overstate the poverty rate for

five- to 17-year-old Milwaukee residents in 2021 was seventh-highest among the 120 largest school districts nationally.

- Segregation is stark between schools in both the city and the county. National data ranks Milwaukee as one of the most segregated school districts in the state in terms of white and non-white students receiving an education in the same school, with even more segregation between schools at the county level. The 17 school districts in Milwaukee County besides MPS served a combined 41.8% students of color in 2023, compared to 90.0% in MPS.
- Students with disabilities are concentrated in MPS, despite incomplete data from private choice programs. Students identified with disabilities made up 20.1% of MPS' enrollment in 2023, compared to 11.0% in the city's charter schools. Accurate and complete public data on students identified with disabilities in the private choice programs are unavailable and constitute an important omission in the state's datasets; what is available indicates that there are many fewer such students than in MPS.

Figure 1 illustrates the results of the growth and contraction across school sectors as of 2023, with 54.9% of Milwaukee students educated in traditional MPS schools, 26.7% in private choice programs, 14.8% in charter schools authorized by MPS but run by an outside entity or authorized independently, 2.7% in private schools without vouchers, and 1.0% in a homeschooling environment. Not shown are students participating in Open Enrollment or Chapter 220, since the figure solely displays children educated within the borders of the city. If these trends continue, traditional MPS schools will no longer serve the majority of students in Milwaukee within a matter of years, although they will collectively still serve the most students in the state for years to come.

Private: Choice Programs\*
29,068

Milwaukee Public Schools (MPS)
59,899

Charters: Independent
8,549

Charters: MPS
Non-Instrumentality
7,601

Home
School
1,052

Figure 1: Students in Milwaukee Educated Across a Range of Schools

Enrollment (headcount) of students educated at Milwaukee schools, 2023

Sources: Wisconsin Department of Public Instruction, MPS Department of Contracted School Services. \*Note: includes students in the Milwaukee Parental Choice Program, Wisconsin Parental Choice Program, Racine Parental Choice Program, and Special Needs Scholarship Program.

In general, the different Milwaukee school sectors have more demographic similarities than differences: The typical publicly funded student at a Milwaukee school, regardless of school type, is an economically disadvantaged student of color. Students with disabilities are the one notable exception, since they are much more concentrated in MPS.

## Total School Funding Drops, But Per Pupil Funding Now Largely Equivalent to 2004 Levels

Over the past generation, funding for education in Milwaukee has been marked by two parallel trends: the total dollars available from core state and local funding sources have eroded over time, primarily due to a loss in enrollment within the city, but per student amounts as of 2024 have caught back up to the funding levels of 20 years ago. Over the entire period, student need has remained high within the city, and so have the per pupil costs of educating these students effectively. Special education aid in particular has not been sufficient to cover costs, requiring leaders to divert core revenues to meet student needs. Key observations from our analysis of education finance include the following:

• In 2024, total public funding for schools in Milwaukee fell to its lowest level since at least the late 1990s, but per student funding was largely even with two decades ago. As a city, Milwaukee received 12.5% less total public money from its core education revenues in 2024 than it did in 2004, after adjusting for inflation. This decline derived from both the city's overall loss of students – since state funding formulas are based on enrollment – and to a lesser extent from state allocations that have failed to keep pace with inflation. On a per pupil basis, however, all three school sectors received similar inflation-adjusted amounts of core funding in 2024 as they did in 2004, as shown in Figure 2. MPS received its boost largely from the 2020 referendum, leaving its funding levels in the middle of those of surrounding districts. The charter schools and private choice programs benefited from increases in the

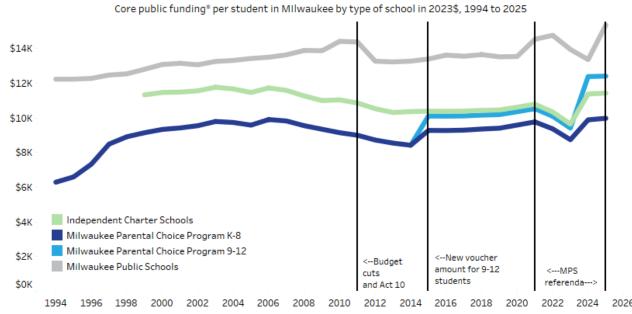


Figure 2: Funding for Most Types of Schools Now Even with 2004

Sources: Wisconsin Department of Public Instruction, Legislative Fiscal Bureau, U.S. Bureau of Labor Statistics. \*Notes: Includes all state and local funding subject to revenue limits on MPS, per pupil aid to MPS, and state payments to MPCP and independent charter schools. Prior to 2015, MPCP high schools received the same state payment as MPCP elementary schools. Amounts for 2025 are projected.

2023-25 state budget, narrowing core per pupil funding differences between the sectors. Private choice high schools saw further growth, receiving a 37% increase that put them well ahead of their previous per student funding levels. MPS remains the sector receiving the highest levels of funding within the city, and core revenues for MPS will rise in 2025 and beyond due to the recent 2024 referendum. This will expand the gap between MPS and the other sectors to between \$3,000 and \$5,500 per pupil in 2025. One might expect MPS to receive the most core public funding due to structural differences in its costs. At the same time, the divergence may also be considered in the context of what private choice and charter schools need to serve students and recruit and retain staff.

- Beyond core funding, MPS receives more state and federal special education funding to serve its higher proportion of students with disabilities, but the funding reimburses only a fraction of special education costs. Schools incur higher costs to educate students with disabilities, but state reimbursement rates covered less than one third of these costs in 2024. This underfunding impacts MPS most heavily, since it educates the city's largest share of students with disabilities. Charter schools are also negatively impacted, as they are subject to the same reimbursement rates. Both MPS and charter schools receive federal aid targeted to students living in poverty and students identified with disabilities. Private choice schools do not have direct access to this aid, although MPS is required to use a portion of its funds to provide services to eligible private school students and staff, and some private schools also receive separate state funding for children with disabilities.
- Financial challenges likely will grow due to declining enrollment spread across a large number of schools. The number of schools rose during the 1990s and early 2000s and has stayed relatively steady since even as overall enrollment declined, lowering per-student funding on average per school by 38.5% compared to 30 years ago. This decline would have been even sharper if not for the 2020 referendum for MPS and the 2023-25 state budget increases for charter and MPCP schools. It raises strategic questions, particularly for MPS, and increases financial stress on the system that may not be easily resolved since under- and over-enrollment are not distributed equally across the city. The overall trend suggests that the current number of publicly supported school buildings in the city may not be sustainable over the next decade.
- Federal pandemic relief aid flowed to schools on the basis of student need and expires this year. In the wake of COVID-19, Congress authorized temporary federal pandemic aid for schools via multiple rounds of stimulus legislation, the largest portions of which were allocated to school districts and charter schools based on enrollment and student poverty data. As a result, MPS and its charter schools received \$797.2 million in total, or \$11,535 per pupil, and the independent charter schools received an average of \$5,666 per pupil. MPS had to pass a portion of its initial pandemic aid on to private schools, and later rounds of federal funding targeted private schools directly, but they received much less than MPS or some charter schools. While the COVID-19 funds represented a lifeline during the peak pandemic years, which coincided with a spike in inflation, they dry up in September 2024.

Overall, despite the brighter financial picture originally promised by the 2023-25 state budget and 2024 MPS referendum, pressures are likely ahead due to continued enrollment declines, the large number of schools in the city, and underfunding concerns. MPS in particular must also navigate the expiration of hundreds of millions of federal pandemic aid dollars and the recent need to reestablish strong financial management practices.

### Transformed System Has Not Transformed Outcomes for Children

A core premise of the parental choice movement in the 1990s was that Milwaukee's K-12 system at the time was not serving children well. The intervening years and efforts have made many more schooling options available, especially to low-income families of color. There is little evidence, however, that the average Milwaukee child receives a higher quality education today. Key observations from our analysis of student outcomes and school performance are summarized below.

In cases where we offer sector-based analyses, divergences in student outcomes should be interpreted cautiously. Reported demographic data may not fully illuminate differences in student populations, since students are not assigned randomly to schools, and student mobility data are not readily available to capture the impact of moves between schools or sectors on outcome trends. We further cannot fully control for differences in school resources, selectivity in admissions, and other less tangible factors affecting school metrics.

• Prior to the pandemic, students in the city showed some limited improvement, but the pandemic erased the majority of those small gains. State report card ratings show that the pandemic disrupted some improvements among Milwaukee schools as a whole. The city had more highly rated schools in 2019 than in 2017, but by 2023 the system's progress had stalled. Students at MPS and its charter schools made modest improvements in math and reading on the National Assessment of Educational Progress in the decade before the pandemic but increasingly lagged the national average for large urban districts (see Figure 3). As in other districts nationally, student scores in MPS and its charter schools lost ground during the pandemic and by 2022 had largely sunk back to 2009 levels, with only 7% of eighth graders proficient in math. (Nationally normed scores for the private choice programs and non-MPS charters are not available.)

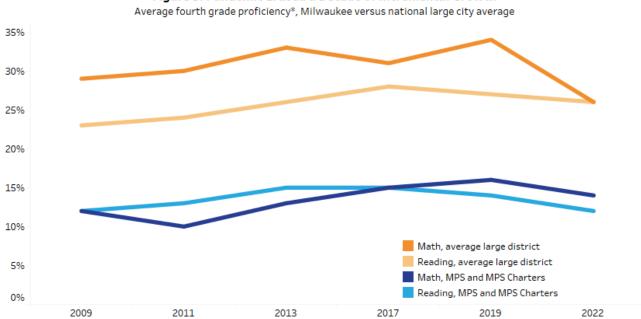


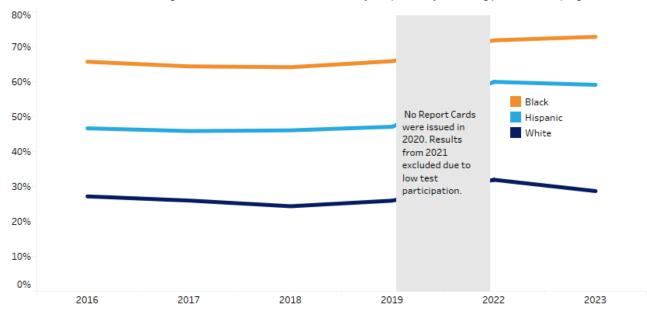
Figure 3: Pandemic Erased a Decade of Incremental Growth

Source: National Assessment of Educational Progress. Note: "Average large district" includes not only MPS and the other districts participating in NAEP's Trial Urban District Assessment but also public school students within all U.S. cities with populations of 250,000 or more.

- Not only has progress stalled or regressed, but by any standardized measure the quality of K-12 education in Milwaukee remains deficient. In 2023, over one-third (37.7%) of Milwaukee students were educated in a school receiving a rating of only one or two stars under the state's five-star rating system, despite a 2021 state change that made it easier for schools to receive a higher rating. In the same year, nearly half (46.2%) of third through eighth graders scored below basic the lowest level in English language arts, and over half (54.8%) scored below basic in math.
- Black students in Milwaukee are among the least likely to attend highly rated schools, regardless of sector. Alarming disparities in outcomes between Black and white students appear across the city. For MPS and its charter schools, the Black-white gap in reading and math achievement was already among the worst in the nation before COVID-19, and it grew even wider from 2017 to 2022 due to sharp drops in Black student outcomes. Across MPS and all charter schools, almost three quarters (72.7%) of Black third through eighth graders scored far below grade level in math in 2023, compared to 28.6% of white students and 59.0% of Hispanic students (see Figure 4). Hispanic students have a low likelihood of attending a poorly rated school in Milwaukee, but their scores at charter and especially MPS schools began slipping even before the pandemic. A lack of disaggregated data impairs our ability to see how student groups are faring in private choice programs.

Figure 4: Students of Color Much More Likely to Score at Lowest Performance Level

Percent of students scoring below basic in math on Forward Exam by race/ethnicity, excluding private choice programs



Source: Department of Public Instruction. Note: Calculations include "no test" results in the denominator. Demographic breakdowns for private choice program participants are not available; results reflect MPS and charter students.

• Both before and after the pandemic, the majority of Milwaukee students did not attend highly rated schools, with some notable variation by sector. Charter schools in Milwaukee led the city from 2017 to 2019 in the largest share of students educated in highly rated schools, the highest Report Card achievement scores, and the lowest share of students scoring below basic on the Forward exam. They faltered, however, during the pandemic. Results from the private choice programs also improved from 2017 and 2019 and largely remained steady

through the pandemic such that they now vie with the charter schools for the top spot across various metrics in Milwaukee. MPS has not yet recovered from the pandemic and remains the lowest rated on average across all metrics examined, though outcomes can vary considerably between schools in the large district. We note once again that students are not distributed randomly across schools. Both families and schools may exercise some choice in enrollment decisions, and these facts may complicate efforts to compare scores across schools; to conclude that these scores are a decisive indicator of educational quality; or to apply one school's approach to a school serving different student groups with the expectation of similar results.

• The number of students missing school has jumped. Chronic absenteeism for at least MPS and charter school students peaked in 2022 and came down only somewhat in 2023, with more than one in three (36.8%) charter students and more than half (51.3%) of MPS students still missing over 10% of school days. Only limited year-over-year comparable data are available for the private choice schools. Inconsistent student attendance leaves students disconnected from the benefits of school and hampers schools' ability to support ongoing pandemic recovery and address longstanding achievement concerns.

### **Next Steps**

These data findings paint a sobering picture of enrollment decline, high levels of student need, financial challenges, persistently low student outcomes, and wide disparities, particularly for Black children. Subsequent WPF research will explore what *is* working in high-performing schools, both within and outside of Milwaukee, that may be worth considering as both the public and policymakers chart a path forward. In the meantime, we highlight for local and state leaders two policy insights that emerged from this report:

- While DPI Report Cards and other state reports have increased the amount of publicly available data, some aspects of publicly funded education in Milwaukee remain obscured. Unavailable or unwieldy datasets limited the extent of our research in some cases, particularly in regard to the private choice programs. In at least some cases, these differences reflect that state and federal law require more data from public schools than private schools. Options for increasing opportunities to assess educational performance and challenges include:
  - Expanding private school "choice report cards" to include students with disabilities receiving public funding
  - Publishing the demographics of Open Enrollment participants, to learn which students are using the program
  - Reconsidering the interaction between achievement, growth, and other facets of the Report Card, to communicate school quality more clearly
  - Making the relationship between student mobility, enrollment counts, funding, and outcomes more transparent between sectors and schools
  - Gauging the degree to which changes in exams or standards disrupt the year-overyear comparisons used to understand how schools and students are improving
- Despite their differences, Milwaukee schools share some common concerns. While it can be
  easy to talk about the city's education landscape solely in terms of its divisions, our analysis
  found multiple areas of shared concern across school types. The vast majority of schools

face challenges serving vulnerable students and particularly struggle to improve outcomes for Black students, with data suggesting that this problem is most acute at MPS. On some metrics, the gaps between Black and white students widened even further through the pandemic. Schools across the city are also grappling with issues like state and federal underfunding of special education and English learner aid, teacher turnover, and a dramatic escalation in chronic absenteeism. These shared issues create opportunities for strategizing and action across the city.

After 30 years in which only pockets of progress have materialized within publicly funded schools in Milwaukee – and faced with the reality that Black students in particular continue to perform academically at levels far below their peers in other urban cities – city leaders and stakeholders once again find themselves at a crossroads.

The dramatic events of this spring have already re-focused the spotlight on MPS, which clearly needs to see substantial improvement in its financial management and oversight on top of the need for vast improvement in its educational outcomes. Yet, at the same time, this report clarifies that the question of education in Milwaukee is not solely one for MPS, as most schools across sectors continue to struggle with pandemic recovery and longstanding disparities.

We hope this report provides fact-based perspective on the demographic, financial, and performance-related challenges facing the "system" of schools in Milwaukee that will be helpful as public and private sector leaders grapple with a set of challenges that has persisted for decades, took on even greater urgency within the past few months, and shows no signs of abating. Indeed, demographic trends predict a significant continued decline in Milwaukee's school-age children over the next decade, intensifying the financial and perhaps even the academic threats we share in this report. We hope, therefore, that our data and analysis will be used to confront not only historical obstacles but also oncoming hazards, providing critical evidence of the need for greater collaboration and accountability to improve the performance of the city's schools regardless of their governance.