

A COMMENTARY

The Wisconsin Story: A cautionary tale for Idaho

By Rod Gramer

Stephen Covey, the best-selling author of “7 Habits of Highly Effective People,” wrote that one should “begin with the end in mind” to understand where any endeavor leads. If we follow Covey’s advice and look ahead to where the privatization of Idaho’s public schools will lead, we would do well to look at what has happened in states that have supported private schools with taxpayers’ money for years.

One state to study is Wisconsin, the first state to pass modern taxpayer-supported subsidies for private and religious schools. Beginning with the end in mind, it’s easy to see that Idaho’s public schools will be irreparably harmed if we head down the same privatization road as Wisconsin, which has been steadily privatizing its schools for three decades.

In 2014, the year after the Wisconsin Legislature voted to take the state’s voucher program statewide, Rep. Steve Kestell, a Republican from the village of Elkhart Lake, sounded the alarm. He said that expanding the state’s voucher program was not sound public policy – nor sound fiscal policy.

“This is a case where ideology sort of overwhelms good sense and judgment,” said Kestell, who chaired the Wisconsin’s Assembly’s Education Committee for many years. “Where people who should have known better and are good mathematicians aren’t willing to do the math. It’s because they don’t want to show that would be detrimental to their plans. And the math doesn’t work. It just doesn’t work.”

In an interview with the *Sheboygan Press* as he retired from the Legislature, Kestell warned that by expanding the voucher program statewide the Legislature was exacerbating the challenges rural schools already faced.

“That problem will be on steroids with the wide-open school choice program cutting across the state,” he said. “No one has even tried to explain how we’re going to deal with that as a state. No one has tried to explain how we’re going to fund parallel school programs. Because that is where we are heading.”

Despite Kestell’s warnings the Wisconsin Legislature has continued to expand the school privatization program. The Wisconsin voucher program now pays the tuition for **42,649** students to attend private and religious schools at a cost to taxpayers of **\$457.4 million** a year.

But the cost of privatization hasn’t just hit state taxpayers, it has also proved detrimental to Wisconsin’s public schools, especially rural schools, just as Kestell warned. State funding for Wisconsin’s public schools was cut by **\$211.5 million** last year.

But there are other startling consequences of privatizing education that sometimes gets lost: **Local property taxpayers** in Wisconsin have essentially made up that **\$211.5 million loss** of state funding **by raising property taxes** to keep their public schools operating.

The bottom line is local property taxpayers in Wisconsin are paying the price to provide subsidies for families who send their kids to private and religious schools in Milwaukee, Madison, and Racine.

This fiscal year qualified families who send their students to K-8 private and religious schools get \$8,399 from the state, and for high school students they get \$9,045 for each student. And that subsidy is scheduled to go up every year, according to the Wisconsin Legislature’s Fiscal Bureau. Also, the household limit on how much a family can earn to get the subsidy has also been rising steadily and could get wiped out entirely if the Wisconsin Legislature gets its way.

There are other consequences inherent in this attack on public schools. In 2002, Wisconsin **ranked 11th** in the country in the amount of money spent per student. This school year Wisconsin **ranked 25th** in per pupil funding in the country. From 2002 to 2020 Wisconsin increased per student funding less than any of the 50 states except two – Indiana, where the privatization program is also increasingly expensive – and, you guessed it, Idaho.

Kestell's warning and what has transpired in Wisconsin with privatization of schools is a cautionary tale for the Idaho Legislature and the parents and taxpayers of Idaho. If the advocates of school privatization get their way, **Idaho taxpayers will end up supporting three new school systems - private, religious, and home schools.** This will add enormous stress to the already meager pot of money (*Idaho ranks 51st in per student funding*) allocated to educate our young people. Privatization will be a decision that will change Idaho's public schools forever, and as Wisconsin and other privatization states have found, there is no going back once the first dollar flows to private schools.

But it's not too late for Idaho's policymakers to learn from Wisconsin and back away from the fiscal precipice to which they are currently heading. But if they don't, the future for Idaho's public schools and taxpayers won't be pretty.

Some Idaho Legislators plan to use education savings accounts (ESA) as the vehicle to provide taxpayer dollars to private and religious schools. They argue it gives parents more choices – not just private and religious school tuition. But the result is the same – ESAs, just as voucher scholarships in Wisconsin, divert badly needed funding from public schools and have many other negative consequences as we will see in the Wisconsin story.

To fully understand the impact of privatizing schools, we need to understand the history of taxpayer-supported private school tuition in the Badger State.

WHERE WISCONSIN'S PRIVATIZATION STORY STARTS

The Wisconsin Legislature passed the first state funded voucher program in the Milwaukee School District thirty-one years ago as a "pilot" program to help poor kids improve academically. As in other privatization states, the program was limited to just a few private and religious schools and only a few students whose household income was 185 percent of the federal poverty level.

But from the beginning the program didn't work as it was envisioned. **Most of the students who first took advantage of the voucher program were already enrolled in private and**

religious schools. Then the Legislature continued to take the siderails off the program to the point where today virtually all middle-class parents in Milwaukee can get \$9,000 or more in taxpayers' money to send their children to a private or religious school.

The program, which was supposed to help poor kids living in Milwaukee, became the proverbial "camel's nose under the tent," according to Chris Thiel, the Legislative Policy Specialist for the Milwaukee School District. "Drip, drip, drip" is how Thiel described the sideboards being stripped from the voucher program by the Legislature.

Drip, drip, drip is also how opponents of privatization have described the sideboards coming off in other states like Indiana, Ohio, and Arizona. In every case, voucher programs start out small to help low-income students and eventually the programs balloon to help virtually any student in the state, regardless of how much money a family makes.

Back in Milwaukee, almost every family qualifies to receive a taxpayer-funded voucher today. The primary beneficiaries of the Wisconsin Legislature's largess are Milwaukee's religious schools that get most of their financial support from Wisconsin taxpayers, according to Thiel.

He said the Milwaukee program has become "a voucher in every backpack," adding "they are publicly funded private schools at this point."

Statistics support what Thiel says. If you count all 28,770 Milwaukee students who receive taxpayer-supported subsidies to attend private or religious schools and placed them into one district, they would constitute the second largest school district in the State of Wisconsin, second only to the Milwaukee Public School District.

What started out as a limited "pilot" program to help low-income students in Milwaukee, now costs Wisconsin taxpayers **\$244.4 million** a year. Over the years, the Milwaukee Public School District has lost millions of dollars in state support because of these subsidies.

Not only is the Milwaukee privatization program expensive, but it also hasn't helped improve student achievement as the Legislature claimed it would. Alan Borsuk, a long-time investigative reporter for the *Milwaukee Journal Sentinel*, reported on the 30th anniversary of the program

that privatization had not improved student achievement. Reading and math scores in private and religious schools were no better than scores in Milwaukee public schools, he wrote.

“And proficiency rates in both streams of schools have been generally unchanged for years at depressingly low levels ... Whatever is needed to push the button to start up booming academic achievement, vouchers aren’t it.”

(Nationwide, student achievement reports echo what Borsuk discovered in the Milwaukee private-religious and public-school systems. You can read more on this in one of my essays: **Privatization Advocates have a problem: Private and Religious Schools have no Accountability or Transparency.**)

By 2014, the *Wisconsin Examiner* reported last November, Wisconsin’s first voucher program, which was intended to help low-income students, had become home to “a bevy of fly-by-night schools that taught creationism in middle-school science class, occupied decrepit office buildings, convenience stores and even gas stations and included shady operators who collected tuition from unsuspecting families and then shut down and fled the state in the middle of the night.”

Despite all the broken promises of the Milwaukee privatization program, the Wisconsin Legislature decided to continue expanding the program across the state.

THE WISCONSIN PRIVATIZATION PROGRAM EXPANDS TO RACINE

In 2011, the Wisconsin Legislature expanded the voucher program to Racine, the fifth largest city in Wisconsin. Once again, the program started out small with only **219 students** participating at a cost of **\$1.6 million**. This year the taxpayers of Wisconsin are spending **\$172 million** to support private and religious schools in Racine.

Meanwhile, state funding for the public Racine School District has been cut by millions of dollars, including **\$28.9 million** this year, according to the Wisconsin Legislature’s Fiscal Bureau. This caused former Rep. Marc Duff, a Republican who represented Racine and who voted for the first voucher program in Milwaukee, to question the wisdom of the privatization program.

Duff noted that the voucher program in Racine essentially served two kinds of schools – religious and for-profit private schools. “These private entrepreneurial groups can swoop into a community” and take 100 students out of a school, he told *Wisconsin School News*. “In a smaller district that’s a big hit,” he said.

Duff, whose job after retiring from the Legislature was working on the Racine School District budget, had to sharpen his knife to make the budget work after the district lost students to private and religious schools. “We’ve already closed a school,” he said. “We will probably have to close more. We’ve had to reduce staff.”

Duff said there was a “feeling” when he and other legislators voted for vouchers that it would only apply to Milwaukee. The general feeling of legislators, he said, was, ‘I don’t have to worry about vouchers.’ Well, we’re all in it now.”

THE WISCONSIN PRIVATIZATION PROGRAM GOES STATEWIDE – HITS RURAL SCHOOLS HARD

Three years after adding Racine to the voucher program, the Wisconsin Legislature expanded the privatization program to the rest of the state. Just like in Milwaukee and Racine, the statewide program started out small, but quickly expanded.

At first there were only **499 students** going to private and religious schools at taxpayers’ expense with a cost of **\$3.2 million**. By 2021 there were **11,740 students** receiving taxpayer-supported subsidies to attend private and religious schools at a cost to the state of **\$99.2 million**. Meanwhile, **state support for the public-school districts impacted by the program was cut by \$139.5 million this fiscal year**, according to the Wisconsin Legislature’s Fiscal Bureau.

It was this kind of expansion that caused Rep. Kestell and others to sound the alarm. One of those people was Kim Kaukl, then the executive director of the Wisconsin Rural Schools Alliance.

In an interview with the *Wisconsin Examiner*, Kaukl expressed concern about the privatization movement because it had reduced funding significantly for rural schools just as they faced other challenges, including declining enrollment.

When the rural schools lost state funding, Kaukl said, they had four options to respond, and all were bad. First, they could lay off teachers and staff, second, they could close schools, third, they could consolidate their district with an adjoining district (thus losing much of their community's identity), or they could raise property taxes.

Often local district leaders asked voters to raise their own property taxes to keep their public schools operating. Last year **property taxpayers picked up most of the \$211.5 million school districts across Wisconsin lost in state support**, according to the Wisconsin Legislature's Fiscal Bureau.

"It (privatization) is like selling land to your competitor, and it's going to lose me money, too," Kaukl told the *Wisconsin Examiner*. "If you lose five or six students, that's equivalent of a teacher's salary. But a lot of times you can't cut a teacher because these five or six kids are in different grade levels."

The *Wisconsin Examiner's* reporting supported Kaukl opinion that rural schools had it "tough" because of declining enrollment and the privatization program. "Schools are closing, students are enduring longer bus rides to get to the remaining schools, and towns are suffering from the loss of local high-school sports teams, the gathering places schools provide, the source of community pride, not to mention the schools as major local employers," it reported.

Like Alan Borsuk, the investigative reporter for the *Milwaukee Journal Sentinel*, Kaukl questioned the fundamental rationale behind vouchers – that students do better academically in private and religious schools. "They trash a lot of our test scores, but if you look at the history, [voucher] students don't fare much better than our rural students," he said.

The *Wisconsin Examiner* backed up Kaukl's assertion. "According to the Department of Public Instruction, in 2018-2019 the percentage of students scoring proficient or advanced on the Forward, ACT with writing and DLM assessments in English and language arts was 40.1% for public school students versus 20.7% for voucher students," it wrote. "In math, 41% of public-school students scored proficient or advanced, versus 17.8% for voucher students."

Back in Racine, former Republican Rep. Marc Duff agreed with both Kaukl and Borsuk. “Vouchers were supposed to improve student achievement,” Duff said. “There really isn’t evidence of that. There is no research to back that up.”

Furthermore, the *Wisconsin Examiner* found that the privatization programs in Wisconsin were not serving low-income students the way privatization advocates had promised.

“When the voucher program expanded to Racine, some community members were outraged to learn that most of the families who took advantage of the new voucher program, which pulled money out of the local public schools, had never sent their kids to public school at all,” the *Wisconsin Examiner* wrote. **“The same is true of the statewide school voucher program, where two-thirds of participants in the first two years had never sent their kids to public school. Vouchers became a straight-up subsidy for private and religious school families’ tuition.”**

PRIVATIZATION ADVOCATES WON’T STOP UNTIL VOUCHERS ARE UNIVERSAL

The experience in Wisconsin and other states show that privatization advocates are not satisfied until they get universal vouchers with no income limit on families, meaning the wealthiest of families can get a subsidy, no questions asked.

Earlier this year, the Arizona Legislature passed a universal voucher bill making all 1.1 million public school students eligible for a \$7,000 taxpayer-financed voucher to private and religious schools, with no income cap on families.

Moreover, the law now makes 66,000 students who already attend private or religious schools eligible for a voucher with a potential expense to taxpayers of \$462 million a year. It also makes 38,000 home schooled students eligible for vouchers at a potential expense of \$266 million a year. Together, this expansion of the private and religious school tax subsidized tuition program could cost Arizona taxpayers a minimum of \$720 million per year in new education dollars to support the program.

Back in Wisconsin, the Legislature is heading down the same road as Arizona. Last winter the Wisconsin Legislature passed a bill that would have moved the state immediately to a universal

voucher program with no limit on family income. Fortunately for the taxpayers of Wisconsin, the governor vetoed it.

If it had passed, the Wisconsin Department of Education estimated the bill would have expanded the number of students in private and religious schools receiving the taxpayer-supported subsidy from **49,919 to nearly 86,795 in the first year**. The Department also estimated that under a universal voucher program Wisconsin property owners would be hit with a **\$577 million increase in their property taxes**.

One of the opponents of universal vouchers was Rep. Sondy Pope from the small town of Mt. Horeb. “This local property tax hike is over a half of a billion dollars a year and that is to fund a competing school system that began 30 years ago as a little pilot program for our students in poverty,” she told colleagues last session in debating against the universal voucher bill.

Advocates of privatization screamed foul at the Department of Education’s property tax increase estimate. But one can assume that many of the parents of the 119,000 private and religious students who are not on the voucher program yet would eagerly apply for the nearly \$9,000 subsidy to offset the tuition they pay. If that were the case, the cost of the program to Wisconsin taxpayers could easily balloon to \$1 billion or more.

Advocates of privatization were emboldened by their success in the Wisconsin Legislature and now have their eyes on getting the universal bill passed in the 2023 session. Voucher-friendly legislators are even threatening to oppose any use of the state’s \$6 billion budget surplus to help struggling public schools if they can’t get the universal voucher bill passed into law.

“GOP’s private school gambit amounts to blackmail,” screamed a headline in *The Capital Times* last month. (Legislators in other states, including voucher-less Utah are making the same threat if voucher legislation doesn’t pass. Don’t be surprised if we see the same threat from voucher proponents in the Idaho Legislature this year.)

In Wisconsin last September, a group of powerful privatization advocates announced that they were forming a coalition to push for universal taxpayer-supported private and religious school

tuition, using an old narrative that the issue is about “parents’ rights.” They call their coalition the Wisconsin Coalition for Education Freedom and it includes the Wisconsin Manufacturers and Commerce, Americans for Prosperity, the American Federation of Children (which is also working to privatize schools in Idaho), School Choice Wisconsin and the Wisconsin Institute for Law and Liberty (a sister organization to the Idaho Freedom Foundation).

These are the same privatization advocacy groups that have expanded the Wisconsin program from one that was intended to help the low-income students in Milwaukee to one of the largest and most expensive taxpayer-supported voucher programs in the United States.

Dave Zweifel, the editor emeritus of *The Capital Times*, warned in October that Wisconsin citizens “better watch their wallets” if the universal voucher legislation, with no income limits passes the 2023 Legislature. As Zweifel noted the proposal would make every taxpayer pay so “rich people in Wisconsin” can send their kids to private schools.

Zweifel said it was “ironic” that so many rural legislators support vouchers for private and religious schools when “many of them represent rural districts where public schools are already struggling to balance their budgets.” (That is a comment echoed by other observers in states like Indiana where the Indiana Farm Bureau opposes vouchers, but rural lawmakers vote for them and not in the interest of their constituents.)

When so many in Wisconsin oppose privatization and when taxpayers pick up the tab for private and religious school tuition, it raises the question: How did the privatization advocates accomplish passing this disastrous public policy?

POWERFUL OUT-OF-STATE BILLIONAIRES AND THEIR PAID LOBBYISTS DID IT

Just as in Idaho, much of the advocacy for privatizing schools was not driven by the citizens of Wisconsin, but by powerful out-of-state billionaires who used dark money to create and operate “front” groups that gave the impression that privatization was a grass roots effort. But a close look at these groups’ pedigree reveals a much different story.

One of those groups, part of the Wisconsin Coalition for Education Freedom, is the American Federation for Children, a group founded by former U.S. Secretary of Education Betsy DeVos.

Since 2010, DeVos' American Federation for Children has spent more than \$8 million to elect privatization friendly candidates to the Wisconsin Legislature. In 2020 alone, the American Federation for Children spent \$600,000 to help privatization candidates win office.

(The same DeVos group spent \$287,000 in Idaho this year to elect privatization-friendly legislators - \$72,000 of that just in September and October, according to the *Idaho Capital Sun*. Many of the AFC endorsed candidates have arrived this month to serve in the 2023 legislative session. Several have joined the Senate Education Committee to almost ensure passage of a voucher bill through that committee.)

Other Wisconsin privatization advocates with national ties are Institute for Law and Liberty, which is the Wisconsin "Affiliate" of the State Policy Network, the same national dark-money group that funds the Idaho Freedom Foundation in Idaho. The Institute is also part of the new coalition, Wisconsin Coalition for Education Freedom, which wants to pass a universal voucher bill in the 2023 Wisconsin Legislature.

Another State Policy Network "associate" that is part of the new coalition is the School Choice Wisconsin group.

Two other members of the new Wisconsin Coalition for Education Freedom are big donors to pro-voucher legislators. One is Americans for Prosperity-Wisconsin, the state's arm of the national group of the same name founded by billionaire Charles Koch.

The Koch-funded group has spent \$22.2 million on political campaigns in Wisconsin since 2010, according to The Democracy Project of Wisconsin which tracks political spending in the Badger State. Just this year it spent more than \$5 million on the losing gubernatorial campaign for Tim Michels, who campaigned on a promise of universal vouchers in Wisconsin.

Another of the new coalition members is the Wisconsin Manufacturers and Commerce which has spent \$27.2 million on political campaigns over the past 12 years.

“The school privatization lobby is a huge player in Wisconsin politics,” Matt Rothschild, who runs The Wisconsin Democracy Project, told the *Wisconsin Examiner*.

WHAT IDAHO CAN LEARN FROM WISCONSIN

If Idaho “begins with the end in mind,” what can Idahoans learn from what has already happened to public education and tax-subsidized private and religious schools in Wisconsin over the past three decades?

First, Idahoans will learn that that the proponents of privatization will never be satisfied until they have achieved universal school vouchers with no income limit on which families can receive tax-supported subsidies. In their vision of the future, even the wealthy can get taxpayer money to subsidize their children’s education at private and religious schools. This means that calls for opponents to “compromise” on vouchers is a hollow diversionary tactic that Governor Brad Little and legislators should be aware of.

Second, Idahoans will see that privatization takes money away from public schools, no matter what the voucher advocates tell them. Common sense tells you there is only so much state money to go around. With four school systems to support – public, private, religious, and home school – state financial support will be spread more thinly. Idaho can ill-afford to spread its money around to two new school systems since it already spends less per student than any state in America. Meanwhile, it is extremely doubtful that Idaho’s lawmakers will ever increase taxes to fund a new bucket of money for private and religious schools.

Third, Idahoans shouldn’t be fooled by privatization advocates who say competition will only make the public schools better. In fact, taking state funding away from public schools will not make them more competitive. It will only weaken them.

Fourth, Idaho taxpayers must realize that public schools will have few options to address the loss of state money and none of them are good choices: close schools; lay-off teachers and staff; dissolve the district and consolidate with another district; or raise local property taxes.

If Idaho turns out like Wisconsin, school districts will have to ask their patrons to raise their own property taxes by millions of dollars so that families, in cities like Boise and Coeur d'Alene, can send their kids to private and religious schools.

Fifth, Idahoans shouldn't fall for the old narrative that privatization is about "parental choice." In fact, Idaho parents already have many choices within the existing public schools – open enrollment, magnet schools, and charter schools. Even the pro-voucher Heritage Foundation says that Idaho has one of the "freest" education systems in the country.

And, at the end of the day, vouchers do not provide parental choice. Under vouchers, parents do not *choose* the schools – the schools *choose* the students. Private and religious schools are not required to take every student like public schools are required to do. Private schools *choose* the students they want.

Furthermore, the experience in Wisconsin is that most of the students who get vouchers have never attended public schools. The program has become a subsidy for families who have already chosen the private and religious school path for their children.

Sixth, and most chillingly, once the Idaho Legislature passes the first voucher or ESA bill and tax money starts flowing to private and religious schools, there is no going back. Taxpayers will be stuck funding four parallel school systems – private, religious, home school and public - forever. And taxpayers can bet that the cost of funding four school systems will be greater than paying for one.

As Wisconsin's former Representative Steve Kestell warned, the advocates of privatization will never tell the Legislature or the people of Idaho the truth – and the truth is the math just doesn't work. It just doesn't work.

As Kestell said, they will not tell the Legislature or people of Idaho this because it is an inconvenient truth that undermines their argument for vouchers.

But all the Idaho Legislature and people of Idaho need to do is look toward Wisconsin if they want to see what a future with tax-supported private and religious schools looks like. They will find that the picture from “America’s Dairyland” isn’t a pretty one.

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