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Director’s Perspective

La Follette School Builds on University’s Dedication to Public Service

The University of Wisconsin has a rich history of its faculty conducting research to solve public problems. From aiding the development of Social Security to analyzing how government policies reduce poverty, faculty regularly step into the public policy arena. The desire for a campus unit dedicated to research, public service, and education to advance knowledge of public affairs and the application of that knowledge to the state’s needs prompted the Wisconsin Legislature to create the Robert M. La Follette Institute of Public Affairs 25 years ago.

In naming the institute for Robert M. La Follette, the legislature recognized the importance of government — and the university — in serving the people. That the University of Wisconsin should reach all people of the state is implicit in what we call the Wisconsin Idea, the concept that the boundaries of the university extend to the borders of the state. The legislature authorized the La Follette Institute of Public Affairs partly to ensure the continued interaction of the university with public policy, a practice that is implicit in the Wisconsin Idea.

In the 25 years since the legislature acted, we have seen the institute grow into a full-fledged school within the university’s College of Letters and Science. Building on the success of the Center for the Study of Public Policy and Administration, which had been awarding master of arts degrees since the late 1960s, the institute began hiring its own tenured and tenure-track faculty in the early 1990s. The university’s Center for Development became part of the School of Public Affairs, and the school began granting a master of public affairs in 2000 and a master of international public affairs in 2002. The current faculty of 23 includes scholars with doctoral degrees in economics, political science, public policy and public administration, sociology, social history, and energy and resources. Our school continues to grow: Professor Timothy Smeeding and former University of Wisconsin–Madison chancellor John Wiley joined us this fall.

The institute’s development into a school followed that of the fields of public administration and public policy analysis as they grew and combined into public affairs. Social scientists have engaged in public service since at least the Progressive Era. With the New Deal, political scientists specialized in public administration, while economists designed social and economic policy. As the 20th century advanced, an emphasis on blended disciplines led universities around the United States to start schools of public policy to better draw together the academic disciplines and use public policy analysis to
craft more effective policy. These developments coincided with the evolution of the field of public management (alongside public administration).

By the late 1980s, when the La Follette Institute was well-established, the field of public affairs looked to incorporate the best of public administration and management with public policy analysis. As we see at La Follette, public affairs now integrates economics, political science, public management, policy analysis, sociology, social work, and environmental studies on a global scale.

Many of these La Follette advances and achievements are due to the dedication of Dennis Dresang. That we observe our 25th anniversary this academic year is especially notable because it is also the year in which Dennis will retire after nearly 40 years of service to the university and the state. He started at the University of Wisconsin–Madison as a political science professor who taught public management through the Center for Development before turning his attention to the State of Wisconsin and its personnel. Dennis was director of the Center for the Study of Public Policy and Administration when creation of the La Follette Institute was on the legislative agenda. He collaborated with lawmakers and others to shepherd the legislation, and he served as the institute’s first director. He still works daily with administrators, public managers, researchers, students, and state residents to solve public policy problems.

The emphasis on solutions distinguishes public affairs from many other academic fields, as is evident in this issue of the La Follette Policy Report. Given our 25th anniversary, we take a moment to consider our charge from the Wisconsin Legislature and to showcase research that exemplifies the Wisconsin Idea. This issue of the Policy Report highlights just some of the research and outreach the La Follette School carries out in service to the state and its residents.

Robert Haveman shares with us a history of the Wisconsin Idea and situates the La Follette School within that context. In a second piece, he shows how Section 8 housing vouchers help recipients move to better neighborhoods and ultimately increase their earnings. In the area of public health, Wisconsin’s BadgerCare insurance program is increasing health-care coverage of families leaving welfare, demonstrates Barbara Wolfe, who completed her two-year term as La Follette School director this past summer. In another article, I show how state policies affect the accessibility and affordability of environmental studies on a global scale.

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The Wisconsin Idea and the La Follette School

Robert Haveman

The Wisconsin Idea, the belief that the boundaries of the university extend to the borders of the state, is a staple of life at the University of Wisconsin–Madison. Today those words are a catch-all to describe nearly any involvement of this university in public or community affairs throughout the state. This has not always been the case. When coined by a university alum nearly 100 years ago, the term referred to a particular approach to public affairs, an approach that involved the use of theoretically impartial experts to help design and administer state government for the common good. The Wisconsin Idea today is much broader, but within its compass that tradition continues.

The Robert M. La Follette School of Public Affairs is an integral component of the Wisconsin Idea — the 21st century emphasis on the university serving the entire state and the more focused role of experts providing assistance to state policymakers. With a multi-disciplinary emphasis on service and scholarship, the field of public affairs takes on problems of public policy and governance. Our faculty, students, and staff practice the Wisconsin Idea across the state and around the world through research, teaching, and outreach on issues that include the design and management of social welfare programs, international currency and trade, analysis of the effects of welfare reform, health-care reform and determinants of health, environmental policy, public management and finance, Social Security, and science and technology.

The La Follette School marks its 25th anniversary with the 2008-09 academic year. 1983-84 was the first academic year that we were the La Follette Institute, which the Wisconsin Legislature established specifically to better connect the university to the state’s government and to support the research and education necessary for governance in the late 20th and early 21st centuries. With this context, we look back to the origins of the Wisconsin Idea.

Progressive and Partisan Origins

Charles McCarthy is often viewed as the father of the Wisconsin Idea. The son of impoverished Irish immigrants, he grew up in Massachusetts and came to Wisconsin at age 26 after supporting himself for a time as a football coach. From 1899 to 1901, he was a “scholar” and “fellow” in the university’s history department, working closely with Professor Frederick Jackson Turner. In 1901 he earned his Ph.D. in history, and his thesis won an American Historical Association prize.

Upon graduation, he found a job setting up a library for Wisconsin legislators. In that position, he quickly came to distrust the relationship between corporate lobbyists and the lawyers who drafted bills for legislators. By establishing the Legislative Reference Library (now Bureau), he attempted to blunt the influence of lobbyists, encouraging legislators to use library personnel to draft bills.

McCarthy developed an impressive information system about legislation and social issues and became known for his professionalism and integrity in drafting bills. McCarthy’s Legislative Reference Library proved particularly helpful to lawmakers who wanted government to police monopolies, promote economic growth by disseminating knowledge, bring dispassionate experts (as opposed to lobbyists) into the governmental decision-making process, and protect the interests of workers and small businesses by opening up inexpensive avenues of redress.

To McCarthy, the reforms enacted in this state during the terms of governors Robert La Follette (1901-1906) and Francis McGovern (1911-1915) represented government at its best. These Progressive Era reforms included numerous measures that changed the way government did its business and the nature of public sector responsibilities. The recall and referendum, party nominations by primary elections, and civil service for state and local government employees were instituted. Other laws established compensation for disabled workers, the progressive income tax, and the regulation of public utilities.

and railroads by independent commissions. It should be emphasized that these changes did not grow out of a narrow partisan movement. They succeeded because farmers, small business owners, workers, and citizens generally shared the goal of an open government, the essential of true democracy: protection of those without wealth and power; an open political process, social control of those with economic strength, and the use of government to secure social equity.

The Wisconsin Idea was the title of a book McCarthy published in 1912. According to its author, at the heart of the Idea lay “the efficiency of the individual and the safeguarding of his opportunity, the jealous guarding of the government machinery from the invasion of the corrupting force and might of concentrated wealth, the shackling of monopoly, and the regulating of contract conditions by special administrative agencies of the people.”

In Wisconsin, McCarthy’s title became the fighting theme of the 1912 national election campaign. “Nationalize the Wisconsin Idea” states a pamphlet written by Wisconsin Governor McGovern in support of the national Progressive Republican ticket of Theodore Roosevelt and Hiram Johnson. McGovern’s pamphlet decried the operation of machine politics and their control of government policies; it argued for primaries, the long ballot, and independent citizen boards and commissions.

The Role of the University Then

McGovern’s pamphlet does not mention the University of Wisconsin. Yet today, most think of the Wisconsin Idea as directly tied to the university and its outreach activities, including its relationship to the public sector. Indeed, the highly charged political context that gave birth to the original Idea may seem inconsistent with the objective, non-advocacy stance the university so carefully guards as it serves Wisconsin and its residents.

However, the university played a special role in the early 1900s. Its College of Agriculture contributed in a major way to turning Wisconsin from a wheat to a dairy state — its “Short Course for Farmers” was famous, and its research on cheese and on dairy cows was renowned. In addition, through a combination of personal connections and institutional prestige, policymakers from the governor on down looked to the University of Wisconsin faculty to help shape the legislation enacted in Wisconsin during the Progressive Era. Engineering faculty developed methods for estimating the replacement cost of utility and railroad plants, thus making rate regulation possible. College of Letters and Science faculty developed the concept of fair return on the replacement cost of physical plant, which was critical to any form of rate regulation being held constitutional. It was at this time that the phrase “the boundaries of the University are the boundaries of the state” began to encapsulate the Wisconsin Idea. Former University President Charles Van Hise is often credited with first articulating the Wisconsin Idea when he said in a 1904 speech, “I shall never be content until the beneficent influence of the university reaches every home in the state.” He established the university’s Extension division that operated summer courses and other programs for people across the state.

In the public policy arena, John R. Commons, professor of political economy (now economics), devised the civil service system and the workers’ compensation act. Thomas Adams, also of political economy, was a member of the three-person tax commission that implemented the country’s first constitutional state income tax. McCarthy himself served without pay as a lecturer in political science. As director of the Legislative Reference Library, he drafted or helped to draft nearly all of the important legislation of that era.

An appendix to McCarthy’s 1912 book shows dozens of members of the faculty and administration intimately and formally involved in public policy and administration: Van Hise chaired the conservation commission and served on the forestry and library commissions; College of Letters and Science Dean E.A. Birge was a member of the fish, forestry, and conservation commissions; Agriculture Dean H.L. Russell served on the forestry and immigration boards; Engineering Dean F.E. Turneaure was a member of the highway commission.

During the Progressive Era, faculty members and university administrators played a conscientious role in the implementing of public sector reforms. McCarthy ascribed the influence of the university to the large population of German immigrants in Wisconsin. The prestige of the professoriat in Bismarck’s state, he felt, carried over to Wisconsin. The social legislation passed and implemented in Germany, of which McCarthy heartily approved, could be replicated here. The vision of a technocratic elite, operating above the squalid concerns of the mere politician, spreading enlightenment and dispensing justice, is implicit in McCarthy’s work.

Political and Governmental Change in Wisconsin and the Nation

Of course, opponents of Progressivism made it perfectly explicit. The Progressives lost the governor’s race in 1914 and the elected conservatives made it plain that one of their goals was to put the university in its rightful place. If the people were not vigilant, said one critic (a university regent?), Wisconsin would have “a university state instead of a state university.”
Nevertheless, the Wisconsin Idea persisted, though in modified form. While the Progressives lost the election, their goals remained popular beyond party lines. There was never any serious effort to repeal the reforms of this period. Moreover, the opposition to the Progressive leaders — Democrats and Stalwart Republicans — found that they had friends on the campus too. A less partisan version of the Wisconsin Idea began to take hold. It included the work of university extension, as well as that of faculty and students in other departments who were working with the legislature.

By the early 1920s, state and university leaders were again calling for the involvement of university faculty in state affairs. And the faculty responded. The best known example resulted in the state’s 1931 unemployment compensation law, the first state law of its kind in the United States.

In the following decades, faculty became relatively less involved in state policymaking due to several factors. Among these were changes in the domestic policy role of the state, relative to the federal government; the growth and professionalization of legislative and state agency personnel; and a growth in the importance of policy development within state agencies, relative to the governor and legislature. Along with this, internal changes in academia and academic disciplines have — to some extent — brought about a retreat from policy concerns by academics.

Moreover, since the New Deal, it has become natural to look primarily to Washington for social and economic policy initiatives, and increasingly University of Wisconsin faculty have been involved at this level of government. Edwin Witte (economics), who chaired the committee that drafted the Social Security Act of 1935, is perhaps the most prominent example. His involvement at the federal level extended the Wisconsin Idea past the boundaries of the state. Other University of Wisconsin faculty and students who have been or are involved in federal policy making include Robert Lampman, professor emeritus of economics, who served on the staff of the Council of Economic Advisors in 1961 to 1963 and is widely regarded as one of the main thinkers behind the War on Poverty and Great Society Programs; Arthur Altmeyer, a lecturer in the economics department in the 1920s and 1930s, who is regarded as the father of social security; Walter Heller, a Wisconsin Ph.D. in economics, who served as the Chairman of the President’s Council of Economic Advisors under presidents Kennedy and Johnson; Joseph Pechman, another economics Ph.D. and one of the nation’s foremost experts on tax policy who was for several decades the head of the economics program at the Brookings Institution; Nathan Feinsinger, a professor of labor law, who was a noted arbitrator and mediator on the War Labor Board during the F.D. Roosevelt and Truman administrations; and Carlisle Runge (law and urban & regional planning), who served as assistant secretary of defense under McNamara, and as a director of the Center for the Study of Public Policy and Administration, a precursor of the La Follette School of Public Affairs.

### The Role of the University Today

Although members of the university community are less involved in directly shaping state policy now than during the Progressive Era, they still play important roles. A new kind of partnership thrives. Recent laws in the Wisconsin statute book that bear the intellectual stamp of university professors have relied on the increasingly expert knowledge of legislators themselves and their staffs and support agencies.

Over the years, Wisconsin governors have drawn extensively on the human capital at the university. Ralph Andreano (economics) has contributed his expertise on health-care cost containment; Walter Dickey (law) on prison reform; Irwin Garfinkel (social work) on child support and welfare reform; Dennis Dresang (the La Follette School and political science) and Carin Clauss (law) on pay equity; Karen Holden (the La Follette School and consumer science) on Social Security, pensions, and retirement; and Maria Cancian (the La Follette School and social work) on welfare reform and child support.

In a 1985 survey of the University of Wisconsin-Madison faculty by Professor Bryant Kearl, intended as an update on the Wisconsin Idea, 17 members of the faculty reported they had served on legislative advisory committees in the past five years. Nineteen reported they had testified before one of the committees of the legislature. Fifteen faculty members reported they had served on state boards and commissions and 84 that they had been part of departmental advisory committees. The number who reported providing “technical/professional advice” to some agency, which could mean anything from a phone call to a major research project, was larger still. Seven served on advisory committees to the state court system, notably to the supreme court.

### The Idea Today

Today, the Wisconsin Idea is an implicit contract between the university and the state’s residents. In return for tax support, the university sponsors an array of
activities that benefit everyone, not merely full-time students. The extent to which policy design and advocacy by faculty should be among those benefits could be a legitimate source of controversy, but, with few exceptions, it has not been in recent years.

The 1981 words of Stephen Born and Harold Jordahl (urban and regional planning) still hold today:

The “Idea” — that the boundaries of the University are the boundaries of the state, that the University should be a vital force in advancing the well-being of all residents, and that there exists a close cooperative relationship between government in Wisconsin and its public university — is … as much a part of the aura of our state as cheese and beer, northern lakes and forest, and clean, progressive government … Generations of University of Wisconsin educators have committed their talents and energies to activities which in the aggregate are the “Wisconsin Idea.” These faculty have transferred to generations of their students convictions about the value and desirability of public service.

Today, the fruition of the Wisconsin Idea is not recounted in books. Rather, the university’s contributions to the state and the lives of its residents are available for perusal through a campus web site (www.wisconsinidea.wisc.edu) that includes a searchable database.

Charles McCarthy’s Wisconsin Idea, then, persists in more subtle and subdued form. It has today far less of the fire and intensity than in McCarthy’s era, but its manifestations are far more diverse. Still, it continues to involve the university and its faculty — as advisors, analysts, scholars, and educators — in the public affairs of the state. There are fewer visions of righting wrongs and giving voice to the powerless. What has lasted, though, is the notion that the knowledge, research, and expertise of the university community — notably through the La Follette School of Public Affairs — can contribute to effective and efficient public policy.

The La Follette School: A Legislative Commitment to the Wisconsin Idea

The establishment of the La Follette School represents a strong commitment by the university to the Wisconsin Idea. The legislature initially created the La Follette Institute with a special allocation of $100,000 funding in 1983. Funding subsequently increased in increments to about $1 million for research and outreach. This was a substantive legislative endorsement of the school’s mission to improve the design of public policy and the practice of governance, part of the core of the Wisconsin Idea.

The La Follette School furthers policy research by faculty in coordination with the informational needs of state and local governments. The school offers a full curriculum of policy analysis and public management training in its master’s degree programs, and it trains many of our state’s current and future leaders, in addition to the hundreds of alumni working with governments, non-governmental organizations, and businesses around the world. The School provides an institutional home and support for a number of ongoing policy-related research projects. Some of these deal with issues suggested by state agencies. The School sponsors seminars and conferences on important policy issues, often with other units on campus. The La Follette School also encourages outreach to the public and to policymakers, making accessible to them the results of policy-related research. It disseminates policy research through publications and public forums.

In this issue of the La Follette Policy Report, we highlight some of these research and policy contributions of the La Follette School faculty, plus contributions by our students and our outreach office. The faculty members who have written these short reports range from lecturer to emeritus professors, from economists to experts in the non-profit sector to poverty specialists. In this, our 25th anniversary year, we think Charles McCarthy would be proud. ◆
Wisconsin infamous leads the nation in a number of disturbing trends regarding alcohol use. We are significantly above the national average in adult and high school student alcohol use, per-capita alcohol consumption, and heavy drinking. We are number one in the nation in some of the most dangerous alcohol-related behaviors: binge drinking prevalence, operation of a motor vehicle while intoxicated, and consumption of alcohol by pregnant women.

While understanding how we have come to attain such an unbecoming status is the subject of some debate, perhaps more important are questions of how we might begin to make more concerted progress in reducing alcohol abuse and its consequences. With Carolyn Hill of Georgetown University (a La Follette alum), I have been exploring the role of state policies in improving access to evidence-based treatments for alcohol abuse, with the hope that our research will lead to policy changes that will increase the number of individuals receiving treatment for alcohol abuse in Wisconsin and elsewhere.

An estimated 19 million individuals (approximately 8 percent of the U.S. population) meet standard diagnostic criteria for an alcohol use disorder, but just 2.4 million seek treatment and only 139,000 receive medication to treat the problem. State governments have much at stake in designing more effective policies and removing barriers to the use of proven treatments. The direct and indirect costs of alcoholism cost approximately $185 billion per year. On average, states spend about $1 of every $7 of total spending on programs related to substance abuse and its consequences. Yet typically, less than 5 percent of these expenditures is spent on prevention, treatment, and research; the remainder is spent primarily on incarceration, hospital care, child neglect, poverty, and other social problems associated with substance abuse.

Substance abuse treatment is provided primarily through specialty sector programs that are largely funded through federal block grants to states and beget a myriad of reimbursement arrangements. As health-care costs have risen, the efforts of governments and employers to reduce costs through managed care have disproportionately fallen on addiction treatment. States have responded to increasing drug costs with policies that limit pharmaceutical use and increase costs for Medicaid enrollees. In the face of declining overall budgets, the number of substance abuse treatment programs and the number of patients have dwindled.

Our research focuses on a pharmaceutical agent used in addiction treatment, naltrexone, which the U.S. Food and Drug Administration approved in 1994 as an adjunct to the treatment of alcohol dependence. Naltrexone blocks alcohol-induced stimulation of endogenous opioids, dulling the “high” feeling alcohol produces. Evidence from clinical trials has confirmed its effectiveness in reducing alcohol abuse, lowering relapse rates, and improving treatment outcomes. Importantly, naltrexone may be as effective when prescribed by physicians in primary care settings as in specialized treatment settings. A recent randomized controlled trial found that naltrexone was equally effective alone (in the presence of medical management) as combined with behavioral therapies. An estimated 16 to 30 percent of primary care patients are problem drinkers; thus, the ability to expand treatment options and increase access to treatment through primary care providers is a potential benefit of naltrexone.

As a generic drug with no close therapeutic
substitutes in the treatment of alcohol dependency, naltrexone should be a widely available treatment option. The formularies of most public and private sector managed care organizations provide blanket coverage of generics. Yet estimates of naltrexone prescription rates are low, ranging from 2 to 13 percent among the alcohol dependent in specialty treatment settings, and use rates are even lower among the wider population of adults meeting criteria for alcohol abuse or dependence.

The decision to prescribe naltrexone is ultimately made by a physician or other medical staff in treatment facilities with prescribing privileges. Although the supply of naltrexone may be relatively unrestricted, cost-containment strategies — co-payments, quantity limits, or prior authorization — may influence treatment decisions and thus limit the use of naltrexone. Both researchers and treatment professionals point to the central role that these policies likely play in the decisions of treatment facilities to integrate naltrexone into treatment programs or individual physicians to prescribe naltrexone.

The central objective of our research was to investigate the extent to which state policies explain the puzzling gap between naltrexone’s potential for effective treatment of alcohol dependency and its low use rates, and to identify policy levers that states might use to improve access to this cost-effective, evidence-based treatment. We used data on more than 13,000 public and private facilities that provided substance abuse treatment in 2003 (from the National Survey of Substance Abuse Treatment Services, which covered 96 percent of U.S. treatment facilities). We linked these data to information on a rich array of state policy variables and other relevant data for the 50 states and the District of Columbia that we assembled.

Table 1 shows how Wisconsin compares to all states in terms of its Medicaid policies and spending that likely impinge on access to substance abuse treatment, and in particular, the use of pharmacotherapies such as naltrexone in treating alcohol dependence.

Wisconsin was 10th in the nation in 2003 in the percentage of its treatment facilities adopting naltrexone, and state policymakers have more recently advanced changes that our research suggests will be important in improving access to alcohol abuse treatment, and particularly, pharmacotherapies such as naltrexone. For example, we found that treatment facilities were more likely to adopt naltrexone in states that allowed managed care/primary care case management organizations to set policies encouraging generic drug use and that included generic drugs on their preferred drug lists.

Alternatively, treatment facilities in states that allowed managed care/primary care case management organizations to restrict access to pharmaceutical networks, establish restrictive preferred drug lists, and limit Medicaid benefits for rehabilitation services were less likely to adopt naltrexone. Table 1 shows that Wisconsin was one of the states limiting Medicaid benefits for rehabilitation and imposing other quantity supply and coverage limitations. However, since 2003, Wisconsin has moved to lower generic co-pays and include generic drugs on its preferred drug list. In fact, following our May 2008 policy briefing at the state capitol, officials of the Wisconsin Department of Health and Family Services’ Division of Mental Health and Substance Abuse Services looked into Wisconsin’s policies and reported that Wisconsin is now covering naltrexone for alcohol abuse treatment under Medicaid without any restrictions.

No state is entirely consistent in establishing policies that promote (rather than impede) access to medical treatments for substance abuse. A 2004 survey by the National Institute on Alcohol Abuse and Alcoholism found that just 5.8 percent of those who are diagnosed as alcohol dependent receive medication during treatment. Furthermore, approximately 33 percent of those who needed treatment (and recognized this need) but did not receive it cited cost or insurance problems as a barrier.

Thus, the potential for addressing an unmet need for access to a clinically proven and cost-effective treatment for alcohol abuse and dependence is considerable. Our research indicates that policy levers available to state governments may increase the adoption of pharmaceutical technologies such as naltrexone that would help to meet this need. And state policymakers should definitely take heed (as Wisconsin policy officials appear to be doing), as for every $1 invested in treatment, $4 to $7 are returned in reduced drug-related crime and criminal justice costs; the addition of health-care-related savings increases this ratio of savings to $12 for every dollar spent on treatment. ◆

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**As a generic drug with no close therapeutic substitutes in the treatment of alcohol dependency, naltrexone should be a widely available option. Yet prescription rates are low, ranging from 2 to 13 percent among the alcohol dependent in specialty treatment settings.**
### Table 1: Naltrexone Adoption and State-Level Policies

<table>
<thead>
<tr>
<th>Policy Description</th>
<th>All states</th>
<th>Wisconsin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of facilities in state that adopted naltrexone</td>
<td>12%</td>
<td>20% (10th)</td>
</tr>
<tr>
<td>Percentage of Medicaid enrollees in managed care</td>
<td>60%</td>
<td>47%</td>
</tr>
<tr>
<td>Medicaid benefits for rehab: co-pay required</td>
<td>11%</td>
<td>Yes</td>
</tr>
<tr>
<td>Medicaid benefits for rehab: substance abuse limitations</td>
<td>61%</td>
<td>Yes</td>
</tr>
<tr>
<td>Medicaid prescription drugs coverage limitations-quantity supplied</td>
<td>56%</td>
<td>Yes</td>
</tr>
<tr>
<td>Medicaid prescription drugs-other coverage limitations</td>
<td>45%</td>
<td>Yes</td>
</tr>
<tr>
<td>Medicaid policy: state preferred drug list</td>
<td>57%</td>
<td>Effective Oct. 1, 2004</td>
</tr>
<tr>
<td>Medicaid policy: number of refills limited</td>
<td>54%</td>
<td>Yes</td>
</tr>
<tr>
<td>Medicaid policy: lower generic co-pays</td>
<td>38%</td>
<td>No in 2003, currently yes</td>
</tr>
<tr>
<td>Medicaid policy: generic rate paid for brand</td>
<td>62%</td>
<td>Yes</td>
</tr>
<tr>
<td>Medicaid policy: generics on PDL/formulary</td>
<td>37%</td>
<td>No in 2003, currently yes</td>
</tr>
<tr>
<td>Capitated/MCO delivers Medicaid benefits</td>
<td>88%</td>
<td>Yes</td>
</tr>
</tbody>
</table>

#### State-level policies and spending

<table>
<thead>
<tr>
<th>Policy Description</th>
<th>All states</th>
<th>Wisconsin</th>
</tr>
</thead>
<tbody>
<tr>
<td>State permits MCO/PCCM to set policies regarding formulary/PDL</td>
<td>72%</td>
<td>Yes</td>
</tr>
<tr>
<td>State permits MCO/PCCM to set policies regarding prior authorization</td>
<td>72%</td>
<td>Yes</td>
</tr>
<tr>
<td>State permits MCO/PCCM to set policies encouraging generics</td>
<td>66%</td>
<td>Yes</td>
</tr>
<tr>
<td>State permits MCO/PCCM to set policies restricting access to pharmaceutical network</td>
<td>38%</td>
<td>Yes</td>
</tr>
<tr>
<td>Medicaid policy: MCO delivers prescriptions</td>
<td>66%</td>
<td>Yes</td>
</tr>
<tr>
<td>Proportion of federal funds that cover Medicaid</td>
<td>56.7%</td>
<td>58.6%</td>
</tr>
<tr>
<td>Substance abuse treatment block grant funding per capita</td>
<td>$5.75</td>
<td>$6.66</td>
</tr>
<tr>
<td>State discretionary funding for substance abuse treatment per capita</td>
<td>$1.19</td>
<td></td>
</tr>
<tr>
<td>State discretionary funding for substance abuse prevention per capita</td>
<td>$5.98</td>
<td></td>
</tr>
</tbody>
</table>

Notes: PDL=preferred drug list
MCO=managed care organization
PCCM=primary care case management
Most Wisconsin children have been eligible for health insurance coverage since February 1, 2008, when the State of Wisconsin implemented BadgerCare Plus. The multifaceted initiative extends health insurance coverage to most Wisconsin children, bolsters coverage for parents and other adults, and promotes take-up of employer-sponsored insurance.

Enacted as part of Wisconsin’s 2007-09 biennial budget bill, the new program extends coverage in a variety of ways: It covers all resident children, with no premium costs for those below 200 percent of the federal poverty level and with subsidies of premiums for children in families below 300 percent of the federal poverty level; farm families and other self-employed parents with incomes up to 200 percent (no longer excluded by assets and disallowance of depreciation expenses against income); and small groups of other residents. It also encourages people to participate in their employers’ insurance programs through an aggressive premium assistance program. In 2009, BadgerCare Plus will begin a second phase of eligibility expansion to cover childless adults below 200 percent of the federal poverty level.

If the expanded program works as well as the original, Wisconsin will have taken an important step in addressing the crisis in health-care coverage. Several researchers at La Follette School have studied the introduction of the original BadgerCare in terms of its success in covering adults in Wisconsin. In what follows, I briefly discuss this research and conclude by touching on our plans to measure the success of BadgerCare Plus.

Soon after implementing the Wisconsin Works (W-2) welfare reform program in September 1997, Wisconsin began developing its State Children’s Health Insurance Program, “BadgerCare.” Unlike SCHIP programs in most other states, BadgerCare provides income-conditioned health insurance to adults and children in low-income families with minor children. It also substantially expands Medicaid by providing Medicaid-equivalent health-care coverage for children and adults with incomes below 185 percent of the federal poverty line (200 percent for those already enrolled).

From the inception of the BadgerCare program through 2001, a family with an income above 150 percent of the poverty line paid a monthly premium equal to about 3 percent of income, which later rose to approximately 5 percent of the family’s income. Despite this premium requirement for participants with higher incomes, BadgerCare has grown to become a major component of public health insurance coverage in Wisconsin. In July 1999, just before the introduction of BadgerCare, 218,000 people were enrolled in publicly subsidized family-based coverage. By the end of 2001, the number of enrollees increased to 367,000 people, one-quarter of whom BadgerCare covered. On the eve of the start of BadgerCarePlus in January 2008, enrollment was 483,919.

We study the extent to which BadgerCare reduced the population of low-income single mothers without health-care coverage among cohorts of low-income, single-mother families who received cash assistance under the Wisconsin Aid for Families with Dependent Children (AFDC) and Temporary Aid for Needy Families (TANF) programs in September 1995, 1997, and 1999 and subsequently left welfare. We have quarterly observations of the earnings and health insurance status of the entire population of families in these three cohorts, and we measure quarters in terms of the time since leaving cash assistance.

Using a coordinated set of administrative databases, we analyze the quarter-by-quarter effect of the BadgerCare program on the probability that low-income, single-mother families are covered by (1) public health insurance, (2) any form of health insurance, and (3) no
health insurance. We measure quarters in terms of time since leaving cash assistance and study three cohorts of mother-only families that received cash assistance under the Wisconsin AFDC and TANF programs in September 1995, 1997, and 1999 and subsequently left welfare. Because we track these “leaver” families from two years before they left welfare through the end of 2001, we are able to use their quarterly labor market and welfare histories in analyzing the outcomes. In estimating the effect of BadgerCare on insurance coverage, we exploit the coverage patterns of these mothers from the period before BadgerCare to the period after BadgerCare was instituted.

Nearly all 1995 welfare leavers were eligible for Medical Assistance at the time that they left cash assistance; about 80 percent of them accepted Medical Assistance benefits. Both Medical Assistance eligibility and coverage fell after these women left welfare until the beginning of BadgerCare, when only 66 percent were eligible for Medical Assistance; fewer than 20 percent were enrolled (implying a take-up rate of about 30 percent).

After BadgerCare was introduced in the third quarter of 1999, eligibility and the enrollment rates substantially increased. From the quarter prior to BadgerCare to the quarter after, the percentage of these women eligible for public support rose from 63 percent to about 92 percent and the proportion of Badger Care to nearly 30 percent by the end of 2001, when more than one-half of those with public coverage were enrolled in BadgerCare.

Relative to the 1995 cohort, a higher proportion of the 1997 cohort of leavers were eligible for and took up public insurance before the introduction of BadgerCare; given their less advantaged characteristics, this is not surprising. Again, however, eligibility and enrollment rates rose after the start of BadgerCare, but the increases were much smaller than for the 1995 cohort. For example, from the quarter prior to the introduction of BadgerCare to the end of 2001, coverage by public

health insurance rose by about 5 percentage points. By 2001, about 40 percent of the women in this cohort with public coverage were enrolled in BadgerCare.

The enactment of BadgerCare provided a major expansion of health insurance availability, offering coverage to adults in low-income families with children and increasing the income levels under which coverage is available. We used four estimation approaches to examine the effects of BadgerCare on the health insurance coverage of low-income women who left cash assistance.

Table 1 summarizes the results of our analyses. All of our estimates indicate that BadgerCare substantially increased public health-care coverage for mother-only families leaving welfare, perhaps by as much as 23 percent. Two approaches show that BadgerCare increased coverage by 6-8 percentage points, while two other approaches, in which we have more confidence, suggest that BadgerCare increased coverage by 17 to 23 percent.

This research confirms the success of BadgerCare in reducing the numbers of low-income parents without health insurance coverage in Wisconsin and led to increased use of the State Children’s Health Insurance Program to cover adults in other states.

Now two members of the La Follette School faculty, myself and Tom DeLeire, along with researchers at the University of Wisconsin–Madison Population Health Institute, are evaluating BadgerCarePlus along several dimensions. Our role is to focus on take-up of BadgerCarePlus, including the extent to which premiums and cost sharing deter enrollment of those newly eligible or contribute to individuals’ decisions to drop BadgerCare-Plus coverage; the effectiveness of the subsidy on the take-up of employer-sponsored insurance; and the overall success in increasing coverage among children and their parents. This work will require using the eligibility formulas developed for the already completed study. We hope that this new work will contribute to the better formulation of policies toward increasing coverage in Wisconsin and in other states.

Table 1. Comparison of Estimates of Role of BadgerCare on Public Health Insurance Coverage

<table>
<thead>
<tr>
<th>Cohort</th>
<th>1995</th>
<th>1997</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marginal increase in probability of having public coverage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Probit</td>
<td>6%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Random effects</td>
<td>6%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Difference-in-difference</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Across cohorts</td>
<td>21%</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>Within cohorts</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To account for unobserved factors affecting the likelihood of public health-care coverage, the analysis incorporates four estimates: probit estimates, random effects estimates, and two difference-in-difference approaches.
The Crisis in Funding Public Education in Wisconsin

Andrew Reschovsky

Wisconsin has a proud tradition of high quality public education. The results of the 2007 National Assessment of Education Progress (NAEP) conducted by the U.S. Department of Education indicate that an above-average share of Wisconsin’s fourth- and eighth-graders score at the proficient level or above on the reading and mathematics exams. And at 22.2, the average composite ACT scores of Wisconsin students is 1.1 points above the national average. These results are in part due to the investment Wisconsin residents make in public education. According to the latest Census data, at $9,933 per student, our spending is 9 percent above the national average.

Yet signs are increasing that our system of public education is deteriorating and failing a growing number of our children. While student performance on the NAEP has improved nationwide, Wisconsin scores have risen more slowly than average. The latest data show that nearly a quarter of Wisconsin students score “below basic” in the eighth-grade reading and mathematics tests. The state’s gap between the academic performance of white and African American students is among the largest in the country. While about 18 percent of white students score “below basic” on the eighth-grade NAEP reading and math exams, 60 percent of black students score below basic in reading and 70 percent below basic in math.

The problems with our educational system are not restricted to schools serving high numbers of minority or poor students. According to a survey of school districts, for the 2007-08 school year, class sizes increased in 75 percent of districts, programs for gifted students were reduced in 63 percent of districts, and academic courses cut in 57 percent of districts.

Although no single policy would improve public education in Wisconsin, I argue that many problems could be alleviated if we reformed the way in which schools are financed. To provide context for what is wrong with the funding system, I start with a brief overview of how we finance public education in Wisconsin.

The Current System of School Funding

Public education is provided by 425 independent school districts, each governed by an elected school board that has the authority to levy a school property tax. In fiscal year 2006, the latest for which comparable data exist, local school districts raised 41.7 percent of the total operating revenue of school districts, the state government contributed 52.3 percent, and the federal government the remaining 6 percent. For the nation as a whole, the states’ share of revenue is lower (46.5 percent), and the local and federal shares are somewhat higher.

Since 1973, about 90 percent of the state government’s contribution to public education has been distributed to school districts using a complex equalization formula that provides higher levels of per-pupil state aid to school districts with low per-student property tax bases. The goals of the formula are to achieve access equality and to reduce differences across school districts in per-pupil spending. Access equality is achieved when, after the receipt of state aid, property-rich and property-poor school districts that choose the same property tax rate have access to an equal per-pupil amount of financial resources.

The equalization aid formula is designed to encourage school districts with below average per-pupil property tax bases to increase education spending while discouraging districts with above average property wealth from increasing their spending. The formula accomplishes this by allocating additional aid to property-poor districts that choose to increase per-pupil spending and by reducing aid to districts with above average
property wealth that choose to increase per-pupil spending.

In recent years, the remaining 10 percent of state aid to school districts has been distributed through about 25 grant programs, each designated for a specific purpose. Collectively these grant programs are referred to as categorical aid. By far the largest of these programs is “special education” for students with physical or mental disabilities. Other categorical aids finance smaller class sizes in kindergarten through third grade in schools with heavy concentrations of children from poor families, bilingual education programs, student transportation, and school libraries.

Table 1 illustrates the important roles state aid and the property tax play in funding Wisconsin’s public schools.

Legislative history makes very clear that property tax relief is an important reason for increasing state school aid. In 1993, frustrated by local school districts’ use of state aid to increase spending rather than lower property taxes, the legislature imposed revenue limits on local school districts. State lawmakers placed a dollar limit on annual increases in per-pupil revenues from the general equalization aid and property taxes. For the 1993-94 school year, the annual limit was $190 per pupil. The limit is increased each year by the rate of inflation. For the 2007-08 school year, the annual limit is $264. The permitted annual increases are somewhat larger in low-spending districts, and all districts may exceed the limits with the approval of their voters in special elections.

The revenue limits mean that any increase in state equalization aid leads to a dollar-for-dollar decrease in school property tax levies. In 1996, the legislature increased equalization aid by $1.2 billion as part of its commitment to fund “two-thirds” of the cost of public education. Although the two-thirds commitment resulted in a large increase in state aid, because the formula used to calculate two-thirds includes in the numerator state expenditures that don’t go to school districts and excludes some sources of total school revenue from the denominator, the actual state share of total school district revenues has never risen above 54 percent. Because of the difficulty the state has faced in balancing its budget, in 2003 the legislature suspended its commitment to the “two-thirds” funding formula.

**What the School Funding System Does Well**

Ninety-five percent of Wisconsin’s K-12 public school students live in school districts with property tax bases between $250,000 and $1 million per pupil. Without equalization aid we would expect that spending per pupil would be substantially higher in districts with greater property wealth even though these districts would probably have below average property tax rates. In fact, because equalization aid is much higher than average in property poor districts, per-pupil spending varies very little across districts. Average spending per pupil in districts with property tax bases between $250,000 and $325,000 is only 5 percent lower than in districts with tax bases between $750,000 and $1 million. Part of the spending differences that we do observe reflects differences in the school property tax rates. To determine the extent to which access equality has been achieved, I calculated the spending per pupil associated with each mill of school property tax rate. The results of this calculation indicate that a high degree of access equality has been achieved. Per pupil spending per mill is nearly identical in higher and lower wealth districts. Only in a few very wealthy districts (districts that collectively educate only 4 percent of K-12 students) is spending per mill substantially higher than average.

The other great success of the school funding system has been the reduction in school property tax mill rates and, after adjusting for inflation, the actual reduction in school property tax levies. When one considers the combined impact of increases in state education aid and the workings of the revenue limits, it is not surprising that between 1995-96 and 2006-07, the average school property tax rate declined from 15.3 to 8.3 mills. During this same 11-year period, property tax levies by school districts grew by 25 percent, but when one adjusts for inflation using the consumer price index, real property tax levies actually declined by 0.4 percent a year.

### Table 1: School District Revenue, 2006-07

<table>
<thead>
<tr>
<th></th>
<th>Millions of Dollars</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>School property tax levy</td>
<td>$3,787.8</td>
<td>36.3%</td>
</tr>
<tr>
<td>State aid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$5,192.8</td>
<td>49.7%</td>
</tr>
<tr>
<td>Equalization aid</td>
<td>$4,722.7</td>
<td>45.2%</td>
</tr>
<tr>
<td>Categorical aid</td>
<td>$470.1</td>
<td>4.5%</td>
</tr>
<tr>
<td>Local receipts (fees and interest earnings)</td>
<td>$850.7</td>
<td>8.1%</td>
</tr>
<tr>
<td>Federal aid</td>
<td>$609.6</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$10,440.9</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Why is the School Funding System Working Poorly?

The central function of any education funding system should be to assure that all school districts have enough resources to meet the state’s educational goals. The Department of Public Instruction’s New Wisconsin Promise calls for “a quality education for every child, raising achievement for all students, and closing the achievement gap between economically disadvantaged students, students of color, and their peers.” These goals are more than aspirational. Both federal and state statutes set standards for student academic performance and require that a set of state-mandated tests measure student performance. Holding schools and school districts accountable for the academic progress of their students is entirely appropriate. However, school districts have little chance of meeting the state-imposed accountability standards unless they are guaranteed enough financial resources to do the job.

The core problem with the current school funding system is that it largely fails to account for the fact that for reasons beyond their control, school districts differ in the minimum amount of money per student they need to achieve the state-imposed student performance goals. Economists refer to the minimum amount of money needed to achieve any specific educational goal as the costs of education. A great deal of research by myself and many others has identified the major reasons the costs of education vary across school districts. More resources are needed to achieve improvements in the education performance of children from poor families, students with disabilities, and students who enter school with limited English proficiency. Because of economies of scale, costs per student are higher than average in small school districts. In many cases, especially in northern Wisconsin, the consolidation of schools and school districts is infeasible because it would require extraordinarily long bus rides for many students. Finally, to hire teachers of comparable quality, some school districts must pay higher than average salaries to compensate for the higher costs of living in some areas of the state.

The equalization aid formula that the state uses to distribute most state aid takes no account of the factors that lead to higher costs. For example, the formula provides the same amount of money to two districts with the same property wealth and spending per pupil even though one district may have a higher percentage of students from poor families, or other characteristics that make achieving the state’s accountability goals more expensive than in the other district. Although the consolidation of schools and school districts is infeasible because of the problems created by the inappropriate allocation of state aid.

**The state-imposed revenue limits exacerbate the problems created by the inappropriate allocation of state aid.**

Some of the existing categorical grants, such as grants for special education, address some of the reasons for higher costs, the money allocated to categorical grants provides only a small fraction of the extra costs associated with high-needs students.

Based on research on education costs conducted with Jennifer Imazeki, an economist at San Diego State University, I have calculated an index of the relative fiscal health of Wisconsin school districts. This index measures the gap between the estimated amount of money each district needs to meet state average student performance goals and the amount of money it can raise from the property tax at a fixed mill rate. While total state aid per pupil is larger in school districts in weaker fiscal health (those with larger gaps), the differences in aid among school districts ranked by fiscal health are relatively small. For example, school districts with fiscal health that is 50 to 100 percent below the median district receive only $1,500 more in state aid per pupil than districts with fiscal health 50 to 100 percent above the median, although the first group has fiscal gaps that are $5,300 larger than the second group. The net result is that school districts with high costs relative to their ability to raise revenues receive an inadequate amount of state aid. Their lack of resources limits their ability to improve the educational performance of their students.

The state-imposed revenue limits exacerbate the problems created by the inappropriate allocation of state aid. First, the revenue cap is a fixed dollar amount per pupil despite the fact that education is more expensive in some districts than in others. As a consequence the revenue limits are more restrictive in districts with above-average costs. Second, the annual increases in spending that the caps do allow do not take account of the rate of increases in prices of the many goods and services that school districts must purchase. For example, fuel and employee health-care costs have been rising at rates substantially higher than the spending increases allowed under the revenue caps. As a result, unless voters agree to override the limits, school districts are forced to increase class sizes, drop educational programs, or find other ways to function with less money.

In their first few years, revenue controls may have forced school districts to operate more efficiently. After 15 years, however, it is difficult to imagine that school districts can continue to avoid programmatic reductions. Evidence from other states suggests that permanent revenue or spending limits have detrimental

School Funding continued on page 18
The Performance of Charter Schools in Wisconsin

John F. Witte

With the increase of charter schools in Wisconsin — from 190 in 2006-07 to 232 in 2007-08, the questions of who chooses to go to these schools and how attending a charter school affects academic achievement become more pressing. We find, overall, that the kinds of students who attend charter schools varies by the nature of the school district, while students in charter schools tend to perform better on standardized tests.

Authorized by a recognized state agency, charter schools are public schools that are relatively autonomous. The “charter” of each school identifies the mission, organization, budget, and performance goals for the school. Charter schools gain autonomy but are required to meet performance and other goals in a timely manner. If they do not, the authorizer can terminate the charter after a designated number of years. In Wisconsin, existing school districts and their boards must authorize nearly all charter schools.

To explore the relationship between the achievement performance of charter schools compared to traditional public schools in Wisconsin, our research involved two essential issues: Who attends charter schools? And with what effect on achievement? In terms of attendance we wanted to know if charter schools took the “best” students — cream skimming in dairy terms. Our achievement studies included two data sets. First, using student-level data, we compared charter and traditional school students in Milwaukee from 1998 to 2002. Second, using a methodological approach new to the debate over performance in choice schools, we analyzed school-level standardized tests in the fourth and eighth grades for 2000-01 and 2001-02 for charter schools throughout the state. The results in terms of who attends charter schools vary by location. The achievement results, in general, confirmed that Wisconsin charter schools were outperforming traditional public schools in most grades for these periods.

Who Attends Charter Schools?

To prevent charter schools from selectively picking their students, and perhaps cream skimming, state statutes require that charter schools’ racial and ethnic composition mirror that of the district wherein the charter school is located. Table 1 displays the 2000-01 and 2001-02 racial breakdown of Wisconsin charter schools compared to the state’s other public schools. For those years, non-white enrollment in charter schools was 54 and 56 percent compared with 19 and 20 percent for all public schools, respectively.

However, that figure masks the difference between Milwaukee and the rest of the state. Because Milwaukee is the state’s only large, urban school district, and thus has the greatest percentage of non-white enrollment, we also compared Milwaukee charters to Milwaukee non-charters and did the same for the rest of the state. (A limitation of this study is that for Milwaukee we only report on schools authorized by the Milwaukee Public Schools Board; data were not available for the far fewer authorized by the City of Milwaukee, the University of Wisconsin-Milwaukee, or the University of Wisconsin-Parkside. Anecdotal evidence indicates these schools may have served higher percentages of black students than the Milwaukee Public charter schools.)

The “Percent White” column of Table 1 shows that in Milwaukee charters and non-charters had about the same percentage of minority students (78 percent and 82 percent, respectively, in 2001-02), unlike the rest of the state where charter schools were about 10 percent more minority than traditional schools. Outside Milwaukee, charter schools tend to attract a larger percentage of minority students than traditional schools.

The results are also quite different when comparing

## Table 1. Race and Income of Wisconsin Charter and Non-Charter School Students

### Panel A: 2000-01

<table>
<thead>
<tr>
<th></th>
<th>Race</th>
<th>Income</th>
<th>Number of Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent Black</td>
<td>Percent Asian</td>
<td>Percent Hispanic</td>
</tr>
<tr>
<td>State</td>
<td>10.0</td>
<td>3.3</td>
<td>4.5</td>
</tr>
<tr>
<td>Charter</td>
<td>35.72</td>
<td>4.32</td>
<td>12.93</td>
</tr>
<tr>
<td>Non-Charter</td>
<td>9.75</td>
<td>3.28</td>
<td>4.45</td>
</tr>
<tr>
<td>Milwaukee Charter*</td>
<td>60.64</td>
<td>3.18</td>
<td>20.89</td>
</tr>
<tr>
<td>Milwaukee Non-Charter</td>
<td>61.36</td>
<td>4.38</td>
<td>14.58</td>
</tr>
<tr>
<td>Non-Milwaukee Charter</td>
<td>10.23</td>
<td>5.79</td>
<td>4.78</td>
</tr>
<tr>
<td>Non-Milwaukee Non-Charter</td>
<td>3.45</td>
<td>3.14</td>
<td>3.21</td>
</tr>
</tbody>
</table>

### Panel B: 2001-02

<table>
<thead>
<tr>
<th></th>
<th>Race</th>
<th>Income</th>
<th>Number of Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent Black</td>
<td>Percent Asian</td>
<td>Percent Hispanic</td>
</tr>
<tr>
<td>State</td>
<td>10.1</td>
<td>3.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Charter</td>
<td>37.79</td>
<td>4.41</td>
<td>12.84</td>
</tr>
<tr>
<td>Non-Charter</td>
<td>9.67</td>
<td>3.33</td>
<td>4.82</td>
</tr>
<tr>
<td>Milwaukee Charter*</td>
<td>55.39</td>
<td>3.73</td>
<td>17.37</td>
</tr>
<tr>
<td>Milwaukee Non-Charter</td>
<td>61.59</td>
<td>4.33</td>
<td>15.65</td>
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<tr>
<td>Non-Milwaukee Charter</td>
<td>9.32</td>
<td>5.50</td>
<td>5.50</td>
</tr>
<tr>
<td>Non-Milwaukee Non-Charter</td>
<td>3.60</td>
<td>3.22</td>
<td>3.56</td>
</tr>
</tbody>
</table>

Sources: Author computations using data from the Wisconsin Department of Public Instruction and the U.S. Department of Education, Common Core Data.

* Data for Milwaukee charter schools include only charter schools authorized by the Milwaukee School Board.
low-income student percentages among charter and non-charter schools in Milwaukee and in the rest of the state. Using the percentage of students who qualify for free or reduced-price lunch as our gauge, Milwaukee charter schools had about one-quarter fewer free-lunch qualified students than non-charter schools. On the other hand, non-Milwaukee charters had only 2 or 3 percent fewer free lunch qualified students than traditional schools in non-Milwaukee charter school districts. One reason for this anomaly may be that many more non-Milwaukee charters were high schools, and high school students consistently fail to sign up for free or reduced lunch. Another may be that charter schools are less likely than traditional public schools to take advantage of the free-lunch program.

These patterns can be interpreted in several ways. One interpretation is that charter schools are generally more diverse than non-charter schools. This result was achieved in Milwaukee by serving more nonpoor students, and in non-Milwaukee districts (which are mostly white) by serving more minority students. A more negative interpretation would be that Milwaukee charters were cherry picking non-poor students, while non-Milwaukee districts could be accused of concentrating on non-white students who may have had academic problems. We prefer the positive interpretation because 19 case studies of charter schools we undertook throughout the state clearly highlighted the concern for and need to address better at-risk student problems outside of Milwaukee. In addition, many of the charter schools in Milwaukee were attempting to provide challenging academic environments that would explicitly attract students who, without charters, may have left the public system altogether.

**With What Effect?**

We assessed performance of students in Wisconsin charter school using individual student data from Milwaukee and school level aggregate data for charter schools throughout the state. The Milwaukee Public School District provided redacted student standardized test data for 1998-99 to 2001-02 in reading, language arts, and math for grades 3 to 8 and 10. We estimated effects for different types of “value-added” models that focus on changes in learning over time. The database on which these analyses were conducted was “stacked” to include individual files for each test for each student in every year they were tested. Thus if a student were given all the three tests during the four years, there would be 12 individual data files for the student, making for very large sample sizes. That allowed us to make separate estimations for all students, and then for blacks, Hispanics and whites.

One difficulty in studying educational outcomes when both families and schools can make choices about students is that the students studied may not be a random set of students in a school district. Families that exercise choices may differ considerably from the average family. Similarly, when schools have the right to accept students and later not let them continue, they may select those students who are easier to educate to a high level of achievement. These behaviors can thus create selection bias in studies. We controlled for possible selection bias by looking at the effects of students changing school status (for example from public schools to charter schools) or by analyzing changes in individual student test scores over time (growth models).

The results generally found that students at charter schools performed better on the standardized tests than students at traditional schools. Only black students at public schools in one of our numerous models were found to score better than those at charter schools. For all students, those at charter schools performed about 1.8 percent better. The results were more substantial for Hispanics and whites, with charter school performance greater by 2.1 and 2.9 percent, respectively. Across the various tests, larger charter-school gains were recorded in math. We are not certain why this occurred, but case studies in Milwaukee did indicate that a number of the charter schools emphasized science, math, or technology. Finally, some differences occurred by grade. Charter students did modestly less well in grades 3 and 4 and in grade 10. The explanation for the former may be that students had spent less time in charters in those grades, with an accumulation of experience beginning in grade 5. An explanation for the latter may that a disproportionate number of charter high schools were serving at-risk students, often in non-traditional classroom settings. Overall the results confirmed that Milwaukee charter school students in most grades were performing better than students in non-charter schools.

The same can be said for charter school students across the state but with more caveats. Our state aggregate data were limited to only two years (2000-01 and 2001-02) and tests were only administered in these years in grades 4 and 8. However, we did have test data on five tests: reading, language arts, math, science and social science. The aggregate level data came in the form of percentages of students in four performance
categories (minimal, basic, proficient, and advanced) in each school. We compared charter schools to traditional public schools, using a wide range of school aggregate characteristics to control for differences in student bodies. Although interpretive and statistical problems exist with data of this sort, our analysis, using a statistical technique newly applied to education data, was important because this form of aggregated data is what the federal No Child Left Behind law requires for all schools. Thus our techniques will aid researchers throughout the country attempting to analyze data of this form.

We present our results separately for both grades and years and for the five tests. The results again showed positive, statistically significant effects for charter schools for most tests in both years in grade four. The same was true, with even larger and more consistent effects in grade eight for the second year (2001-02). However, the results were reversed in the first year (2000-01) for grade eight. In that year, in general, traditional public schools did better than charter schools. Interestingly, the estimates for the social science test were the most inconsistent for all grades and years. This may reflect either validity problems with the test, or that schools approach social studies in these grades differently from school to school.

What happened in the two very different eighth-grade years? The answer is twofold. First, in 2000-01, when non-charter schools outperformed charter schools, only 12 charter schools reported test data. Five other charter schools did not report test data. Two of the schools were charters in 2000-01 but did not begin eighth grade until the next year. Two others had too few students tested overall or in subcategories of students. The other, for unknown reasons, reported only national percentile rankings in 2000-01, not proficiency categories. When we look at these five “missing schools” in the next year, they had better scores than the reporting schools in 2000-01 by well over 3 national percentile rankings on all the tests but one. The second, and more important reason is that for the schools tested in both years, the charters simply improved on their prior year scores much more than the traditional public schools. The average comparative improvement for all tests was 4.63 national percentile rankings. This did not lead us to conclude that eighth graders were doing uniformly better in charter schools, but it at least explains the deviations and suggests further research is required.

**Conclusions**

This study, among other findings, showed that charter schools seem to be accommodating different types of students than non-charter public schools. However, the patterns differed by location. In the years reported, Milwaukee charter schools enrolled slightly fewer minority students and fewer poor students than their non-charter counterparts. However, in the rest of the state, the opposite seemed to be true. On the performance side, however, there is evidence that throughout the state through the year 2001-02, charter school students were scoring higher on standardized tests than students in non-charter schools after controlling in various ways for differences in student characteristics and difference in selection into the schools.◆

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**School Funding** continued from page 14

effects on student academic performance. It is thus not surprising that school districts around the state, including those in wealthy suburban communities, are being forced to eliminate programs and take other actions that are very likely to reduce the quality of education. Revenue limits make it extremely hard to reduce achievement gaps, to say nothing about maintaining quality in school districts with a history of superior education.

**The Way Forward**

The past few years have seen a number of proposals by legislators, academics, and interest groups for fixing Wisconsin’s school funding system. Most of these proposals involve changing the existing state aid formulas and the revenue limit so that they better align the costs of education to the availability of resources. The difficulty with school-funding reform is not in developing reasonable reform proposals, but in implementing a reform plan in a fiscal environment where total resources devoted to public education will, at best, increase at the rate of growth of the state’s economy.

Without a large infusion of new money into education, new state resources for some school districts will mean that others will receive less. History has shown that it is extremely difficult to enact legislation that benefits some parts of the state more than others. In my view, school funding reform requires widespread public agreement that the current system of school funding is broken and that doing nothing will seriously erode the quality of public education in the state. If residents understand that the state’s continued economic prosperity depends on a well-educated workforce, they are much more likely to support school funding reform even if it means fewer state dollars for their own school districts. In addition, any reform needs to be phased in over a number of years to give local school districts time to adapt to increases or decreases in state aid. ◆
A collaboration of community leaders, policy scholars, and government and school officials in Madison, Wisconsin, has led to improved third-grade reading scores of minority students and increased the number of minority students who complete algebra by the time they start 10th grade. The ongoing Schools of Hope project sees concrete improvement in closing the racial achievement gap in Madison’s public schools.

The Schools of Hope project began in 1995 as a civic journalism project of the Wisconsin State Journal and WISC-TV that looked at critical issues in the Madison Metropolitan School District, including safety, discipline, cost, race, culture, family involvement, and academic standards and achievement. The media asked United Way of Dane County to head a leadership team to examine the issues that emerged from the reporting and to work on a solution. The team members represented local government, the university, schools, parents, students, business, minority communities, labor unions, and United Way. The group decided to engage the community in the challenge of reducing the racial achievement gap for third-grade reading, and Schools of Hope was born.

At the time, Madison had approximately 10 percent people of color, while 27 percent of the Madison Metropolitan School District’s enrollment comprised children of color. The percentages of students who scored below standard/minimal on the third-grade reading test by racial group in 1995 were as follows.

- Blacks: 28.5%
- Latinos: 9.7%
- Southeast Asians: 22.5%
- Other Asians: 1.7%
- Whites: 4.1%

Taking on the racial achievement gap was a significant and risky decision given the history and politics around the issue. Twenty million dollars had been spent in 15 years and yet the gap was growing. Increasingly the community was looking at whom to blame rather than how to solve the problem.

W. Charles Read, then dean of the School of Education at the University of Wisconsin-Madison, put out a call to professors indicating the need for help with research and strategies. Fourteen professors responded and worked with us during the next several years. In addition, we sought community input. As a result, we developed the following strategies:

- Utilize trained tutors to motivate students one on one to do school work and recognize academic achievement as important;
- Emphasize the important role that homework plays in academic achievement;
- Offer tutoring and academic support that connects to the teacher and what happens in the classroom to improve achievement; and
- Encourage small classes and small schools because research shows that environment is strongly related to high academic achievement.

At the same time, the school district instituted a consistent literacy curriculum and in-class assessments in the elementary schools and trained teachers in how to teach reading based on that curriculum.

Our goals were twofold. In 10 years, by June 2005, we wanted to increase the proportion of black, Latino, Southeast Asian, and American Indian students who scored at or above the state standards on the third-grade reading test by increasing the percentage and number of students taking the test and by improving children’s readiness for kindergarten. Second, we sought to increase the percentage of black, Latino, Southeast Asian, and American Indian students who complete algebra before 10th grade.

We received a grant from the Corporation on National and Community Service for 18 Volunteers In Service to America (VISTA) who served as elementary...
school coordinators. Hundreds of volunteer tutors were recruited through front-page newspaper articles late in the summer of 1998, and the program grew to involve 500 to 600 trained adults tutoring 2,000 to 3,000 students per year in concert with the teachers’ curriculum.

Madison Metropolitan School District reading specialists trained tutors in a method developed in collaboration with University of Wisconsin–Madison education professors. Starting at Glendale School in 1997-98, the district began lowering the kindergarten through third-grade classroom sizes in 27 of 30 elementary schools, a process completed in the 2000-01 school year. For 2007-08, in spite of budget challenges, the district maintained smaller class sizes in all schools for kindergarten and first-grade reading blocks. Only 10 elementary schools do not have small classes in grades 2 and 3; these schools have fewer than 30 percent of their students living in poverty. Three of the 10 never had small class sizes.

In addition, the Madison Metropolitan School District developed a new reading curriculum, extensive teacher training, and in-class assessments. By the late 1990s, communitywide results of Schools of Hope were beginning to show: The racial achievement gap was decreasing, and the community was starting to take notice. In October 2004 the superintendent of schools announced the district no longer had evidence of a racial achievement gap at the minimal third-grade reading level.

As Figures 1 and 2 illustrate, the performance goals for the third-grade reading test were accomplished:

- The percentage of students of color at or above the state standards has risen to a point where race is no longer an accurate predictor of test outcome.

- The percentage of students being tested has risen steadily since 1998.

In 2005 and 2006, we took the Schools of Hope program to elementary schools in two other area districts.

Our next step is to focus on helping students complete algebra before 10th grade. Research tells us that algebra is a gateway course for educational achievement beyond high school. It is the language of math and science, and the language of problem-solving. It deals in abstractions that expand thinking skills. Also, middle school represents the second most available time for brain development and our ability to influence student learning. A child from a low-income family who succeeds in algebra stands virtually the same chance of going to college as a child from an upper-income family who passes the course.

Just as third-grade reading scores became our thermometer of success, passing algebra by 10th grade measures the difference our efforts are making. In the 1999-2000 school year, 25 percent of Madison’s blacks passed algebra. Eight years later, 50 percent of black students are passing algebra by 10th grade, as Figure 3 shows. In addition, 78 percent of students who receive tutoring are not referred to summer school for math.

When we first looked at this issue, many efforts were underway in the middle schools with little coordination. Since the 2000-01 school year, our focus has been providing academic support and enrichment services through a Schools of Hope initiative.

In partnership with the Madison Metropolitan School District, volunteer coordinators work in nine of the 11 Madison middle schools. They recruit, train, and place volunteer tutors and coordinate the programs that offer tutoring services to this population. The
district provides technical assistance and program support to ensure that volunteers understand the curriculum taught to students in the classroom.

Collectively, we’ve recruited more than 490 volunteers to work with more than 900 students in math. Volunteers have reported feeling successful in their work with students, but more must be done to close the achievement gap. Students receive one-on-one and small-group tutoring during the regular school day and during after-school enrichment programs. We focus on building the community-school partnership by aligning with the district’s goal of increasing regular school attendance and successful completion of algebra during the students’ first year in high school.

Schools of Hope has demonstrated what can be accomplished when the community engages in the scope and dimension of the issue; the right people are at the “table”; when the focus is on the appropriate data and measures; and when research-supported strategies are available in the community. We are moving into high schools with the trained tutoring model to focus on ninth- and 10th-graders to have an even greater impact on the completion of algebra by the end of 10th grade. These results are unprecedented.

With help from the University of Wisconsin–Madison, we were pointed to the most relevant research and appropriate strategies. This research allowed us to remain focused and kept us, as a community, moving forward for the past 13 years. The data, identified measures, and research-based strategies helped us face challenges to our work and convince our community that staying with the project is important for the long haul.◆

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**Figure 2: Percentage of Third-Grade Students Tested on Reading**

Source: United Way of Dane County

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**Figure 3: Percentage of Students Who Completed Algebra by Start of 10th Grade**

Source: Madison Metropolitan School District
New Perspectives on Public Sector Turnover

Donald Moynihan

The public sector has become a less attractive place to work for many and as a result faces a recruitment and retention crisis. “Far too many talented public servants are abandoning the middle levels of government, and too many of the best recruits are rethinking their commitment,” the National Commission for Public Service argued in 2003. In Wisconsin, the workforce grows a little greyer every year, with nearly 40 percent of classified State of Wisconsin employees eligible to retire by the end of 2015. Wisconsin might do well to consider policies to encourage employees to remain in public service and thus reduce voluntary turnover, especially by younger baby boomers and members of Generation X.

Recent research on employees’ intent to voluntarily leave their jobs for reasons other than retirement provides new evidence on the causes of and possible solutions for turnover in the public sector. This evidence comes from two papers I published in 2008. The first, co-authored with Sanjay Pandey of the University of Kansas, draws from a survey of state government and nonprofit human service employees in the northeastern United States. The second paper, co-authored with Noel Landuyt of the University of Texas-Austin, draws from a survey of state of Texas employees.

Some of the factors that contribute to turnover are already relatively well known. The strongest predictor of turnover intention is job satisfaction. Employees happy with their jobs are less likely to quit. Much research on turnover also focuses on better pay and benefits and on local economic conditions. As one might expect, better pay and benefits generally reduce turnover. A challenging labor market also tends to discourage employees from quitting.

Life-Cycle Stability

The Texas paper focuses on how individual characteristics are related to turnover. Individual characteristics are widely studied but generally considered separately, as controls for other variables and without consideration of the conceptual relationship with one another. However, some individual characteristics (age, tenure, familial commitments, geographic preferences) commonly indicate that an employee is at a point in life where he or she has a strong preference for the status quo, including the job. This represents what we might call a life-cycle stability hypothesis: older and more settled employees with familial obligations are less likely to quit. The Texas paper provides support for this hypothesis. Employees who are older than 30 are 40 percent less likely to state an intention to quit than younger employees.

Similarly, employees with six or more years of service are 31 percent less likely to state an intent to leave than employees with less experience. The tendency to have lived in the same area for a considerable period of time also indicates reluctance to change, which tends to limit the search for new employment opportunities and the intention to exit the workplace. Economic constraints posed by being the primary-wage earners, or part of a larger household, also reinforce a preference for the status quo.

In Wisconsin, about 7,800 state employees were 30 to 39 years old and averaged 7.3 years of service as of June 30, 2005, as Table 1 shows. The State of Wisconsin employed 40,013 permanent classified employees in 38,688.7 full-time-equivalent positions as of June 30, 2005. Their average age was 45.9 with 13.3 years of service. About 65 percent were baby boomers in the 40 to 59 age range. (This excludes unclassified and temporary employees, appointed and elected officials, and University of Wisconsin System faculty and academic staff.) The overall turnover rate was 6.4 percent, excluding the University of Wisconsin System.

Gender

Another individual characteristic worthy of attention is the role of gender. The traditional hypothesis is that...
women were more likely to state an intention to quit. Some researchers have questioned this, suggesting that once other factors were controlled for, women were no more likely to quit. The Texas study finds that women are actually 23 percent less likely than men to state an intention to quit the public sector. There are reasons to believe that this finding reflects changing patterns of workforce participation, and the particular attraction of the public sector.

The hypothesis that women were more likely to leave is primarily based on outdated assumptions of a traditional family structure with a single breadwinner. Women have increased their participation in the labor force and are less likely to exit the workforce due to familial commitments. The relationship between gender and turnover may also be distinct for public sector employment.

In Wisconsin, women made up 51.2 percent of state employees in 2005, and, as Figure 1 shows, women in their 40s and 50s outnumbered men of the same age. The average age for women was 45.6 years and 45.4 for men. Women had served an average of 13.6 years, while men served an average of 13. This suggests that these women public employees may be among the least likely to leave state service.

There are a number of causes behind women’s higher participation in the public sector. Policies supportive of working mothers, especially family leave policies, have encouraged such participation, and women have been more successful in moving up the public managerial scale than in the private sector. They are less likely to encounter a glass ceiling; they face a lower wage penalty than they would in the private sector; and they have a greater potential to close the earning gap with male colleagues. The public sector offers women greater potential to find balance between work and family life, with classification systems that offer a predictable career path and less potential for discrimination. Beyond the ability to access more attractive employment policies, women may be more attracted to stay in the public sector because of a desire to serve the public interest. Surveys have shown that women express a higher public service commitment than men.

<table>
<thead>
<tr>
<th>Age range</th>
<th>Number of employees in age range</th>
<th>Average years of service</th>
</tr>
</thead>
<tbody>
<tr>
<td>under 30</td>
<td>3,678</td>
<td>3.2</td>
</tr>
<tr>
<td>30-39</td>
<td>7,804</td>
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</tr>
<tr>
<td>40-49</td>
<td>12,289</td>
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</tr>
<tr>
<td>50-59</td>
<td>13,952</td>
<td>19.2</td>
</tr>
<tr>
<td>60 plus</td>
<td>2,284</td>
<td>18.7</td>
</tr>
</tbody>
</table>


### Social Networks

Another approach to turnover is a social network perspective. Social networks are the interpersonal connections that individuals have with one another. In the workplace, these connections can act as sticky webs that keep employees from leaving. As employees feel a sense of shared community with their fellow workers they are less likely to depart that community. Our research measured two aspects of social networks, the first being whether employees feel their coworkers support them. Such support encompasses employee beliefs that their fellow workers care for them and respect them, indicating the emotional benefits workers gain from their social networks. Second, we measured felt obligation toward coworkers, which reflects the sense of obligation toward other employees, or what employees contribute to the network.

### Person-Organization Fit

The Moynihan and Pandey paper concentrates on behavioral factors that shape turnover intention. This does not mean that other variables, such as individual characteristics, incentives or the local labor market are unimportant. Rather, we suggest that the workplace’s social context and values also influence employees.

The person-organization fit approach seeks to reduce turnover by taking advantage of workplace and employee values. Our research supports the assumption that people will be more attracted to and less likely to exit organizations where they find a close match between the organization’s values and their own.

Public agencies can foster person-organization fit in a number of ways. They can select individuals who share the organization’s values and then nurture this fit by communicating the value of the organization’s mission. Strategic planning and performance measurement provide public organizations with procedures to identify and celebrate the mission and the employees’ role in achieving it. In addition, organizations willing to listen to their employees and modify organizational values to be consistent with employee values are likely to experience less turnover.
Both measures of social networks proved to be significantly and negatively related to turnover intention. There are potential lessons here for public organizations. Organizations that foster social interaction opportunities among members and encourage shared responsibility and teamwork are more likely to create positive social capital. Finding ways to foster such relationships can reduce turnover. Social interventions can be deliberately constructed to foster cooperation and strengthen group ties. Practical examples include operating mentorship programs, creating special events for new employees, encouraging informal get-togethers as well as formal retreats, and designing physical space to foster employee interaction.

Some of the trends that we see in government, such as privatizing, outsourcing, or making employment systems more flexible, may undermine the ability of public organizations to attract women, foster person-organization fit, and to maintain social networks. The ability of agency leaders to convince employees that they are part of an organization that provides value to society, or for employees to maintain relationships with one another, assumes a certain continuity unlikely to be present in contract relationships. Similarly, attempts to create individualized systems of pay-for-performance that encourage competition among workers may weaken a sense of collective obligation and mutual support. Altering public employment systems in a way that makes them less family-friendly or weakens protection against discrimination is likely to reduce the advantage that the public sector enjoys among women. Governments pursue such trends for a variety of reasons, but we should recognize the costs they impose on the ability of government to retain employees.

As public agencies in Wisconsin and around the United States look ahead to a period of high turnover, their managers would do well to consider policies that take advantage of life-cycle stability trends and nurture person-organization fit and social networks. Maintaining the wages, benefits, and employment policies that older employees value; ensuring that the organization’s mission and work environment continually enhance person-organization fit; and cultivating social networks could go a long way in retaining mid-career public servants in Wisconsin and elsewhere in the United States. ◆

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**Figure 1: Age by Gender of State of Wisconsin Employees, June 2005**

Menominee Nation Assessment Project

Dennis Dresang

The Menominee Nation once occupied the northeastern third of what is now the state of Wisconsin. Through a series of treaties with the federal government, almost all of this land was ceded to the United States, and a reservation along the Wolf River was established for the Menominee. By the 1950s, the Menominee had distinguished themselves as one of the few self-sufficient tribes in the United States. The federal government, against the wishes of the Menominee and the advice of Wisconsin state government officials, in 1954 terminated the tribe’s sovereign status and legal protections that were fundamental provisions of the treaties. The reservation became a county within the state. The stated intent was to reward the Menominee for their achievements and provide a model to be applied eventually to other tribes.

The effect was to remove pillars essential for Menominee governance and business activities. Within a decade, the Menominee Nation went from one of the most viable tribes in the country to one of the most impoverished. Menominee County became — and continues to be — the county with the highest level of poverty and health risks in Wisconsin. The federal government acknowledged that it had made a mistake and restored recognition of sovereign status to the Menominee Nation in 1973. The damages to the Menominee, however, have not been reversed.

The leaders of the Menominee Nation asked the La Follette School of Public Affairs to conduct a demographic analysis of the tribe, evaluate the effects of the 1954 Termination Act, and describe social and economic challenges and opportunities.

For decades Menominee County, which encompasses the reservation, has had the lowest median income, the highest unemployment rate, and the highest poverty rate in Wisconsin. The reservation has experienced levels of poverty and income far worse than any other county in Wisconsin. Median income in Menominee County has been consistently about two-thirds of that statewide, with the exception of 1979, the peak year for federal spending on Indian programs, before cuts instigated during the Reagan/Bush years. Poverty rates for Menominee County are anywhere from two to four times higher than the state rates or even than the relatively high rates of a poor, neighboring rural county.

The Menominee Nation asked the La Follette School of Public Affairs to assess community needs to provide information to use for tribal budget and planning and as part of the tribe’s petition to the Bureau of Indian Affairs to place in tribal trust land near Kenosha. The La Follette School began a study in the fall 2007 and completed it in spring 2008. Ryan Baumtrog, a graduate student at La Follette, Steven Cook of the Institute for the Research on Poverty, and Professor Dennis Dresang of the La Follette School conducted the study.

Characteristics of the Menominee Tribe, 2000

These indicators are absolute measures that demonstrate high levels of poverty among the Menominee, who number 8,691 in population.

◆ 79.4 percent of those 25 and older have a high school education.
◆ 9 percent have a bachelor’s degree or higher.
◆ 65.2 percent of those who are at least 16 years old are in the labor force.
◆ Unemployment rate was 16 percent.
◆ Median income per household was $28,906.
◆ Median income for men was $25,661.
◆ Median income for women was $21,274.
◆ Per-capita income was $10,499.
◆ 25.7 percent of families were below the federal poverty line.
◆ A female with no husband present heads 50.9 percent of families with children.
◆ 1975 is median year for when housing was built.
◆ 9.9 percent of housing units had no telephone service.

The county labor force faces an annual unemployment rate that generally hovered between 8 percent and 10 percent through the 1990s, with an increase to 12.3 percent during the recession of the early 2000s, remaining around 10 percent since then. The unemployment rate is at least twice as high as that in the state overall and is the highest of any county in the state.

In addition, Menominee County consistently ranks as the worst in Wisconsin for health outcomes and risk factors; it has the fifth worst health-care services of Wisconsin’s 72 counties. Menominee County is the state’s worst for mortality (the death rate for people younger than 75), mammogram screening, smoking during pregnancy, teen birth rate, sexually transmitted diseases, motor vehicle crashes requiring emergency room visits, and violent crime.

The La Follette School study found that funds available to the tribe for providing governance and services and for pursuing economic growth are limited and vulnerable. In the 2007-08 fiscal year, the federal government funded 41 percent of tribal operations and services, down from 56.6 percent the previous year, while the tribe was able to contribute only 12 percent. The Menominee are highly dependent on external funding.

The severe poverty and the serious health risks of the Menominee are dramatic indicators of the need for more stable funding. Almost every tribal department has a list of clients who cannot be served because of insufficient funding. Indeed, the domestic abuse shelter was closed in 2007 because the tribe could not afford to sustain it. In addition to the shelter, the reservation needs a new school, jail, two dams, enhanced natural resource protection, better and more housing, and improvements for its aging and inadequate infrastructure. Despite the far-reaching nature of tribal programs, current services do not meet the needs of the Menominee people. The federal and state governments face shortfalls of their own, which may further reduce already precarious tribal services. An additional, sustainable source of reliable revenue must be developed to meet the tribe’s minimal needs.

The Menominee Nation does have resources — notably its forest and college — on which it can draw as it seeks additional funding sources. The reservation is home to a forest that is a major, but limited, economic resource and, importantly, is central to the culture and identity of the Menominee Nation. More than 95 percent of the reservation is required by law to be used as a sustained yield forest; the tribe cannot use it for other development and economic purposes.

The College of the Menominee Nation, established in 1993, has become another valuable asset of the tribe. It provides technical, paraprofessional, and academic education for 500 students and has been accredited by the Higher Learning Commission of North Central Association. Through arrangements begun in 2007, students can complete their baccalaureate degrees at the University of Wisconsin–Madison and other campuses in the University of Wisconsin System.

One potential source of revenue that would improve conditions on the reservation and the quality of life for tribal members is an off-reservation casino and convention center. Because of the reservation’s location, improvements and expansion to the existing casino and hotel there would not significantly increase revenues. Pending approvals from federal and state authorities, agreements between the tribe and local com-

La Follette School of Public Affairs Projects with American Indian Nations

Through the Center for Wisconsin, State, Local, and Tribal Governance, the La Follette School of Public Affairs has carried out a number of projects with Wisconsin’s American Indian Nations to improve their governance, reduce violence, and develop their leadership. These include:

◆ **Menominee Nation Assessment Project, 2007-2008:** Study of resources, needs, and opportunities for improving conditions on the Reservation and the economic status of the Menominee people.

◆ **Tribal Leaders Training Seminars, 2006 and 2008:** Daylong seminar explaining policymaking process in Wisconsin state government and improving abilities of tribal leaders to interact with state government.

◆ **Wisconsin Women In Government Seminar, 2005-2008:** Inclusion of tribal leaders in five-week seminar for women to build management skills.

◆ **Youth Violence Projects, 1996-2002:** Course projects in which teams of La Follette School graduate students conducted assessments of youth violence in Wisconsin tribes and worked with tribal leaders to develop intervention and prevention programs.

◆ **Tribal Management Improvement, 1997-2000:** Seminars and consultations with Wisconsin tribal leaders to adapt management approaches to meet needs.
Menominee
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munity are in place to locate a casino and convention center in Kenosha. The implementation of these agreements include the advantages of establishing training as well as business arrangements that explicitly provide for economic development and growth on the reservation and that enhance tribal ties with Menominee communities already near Kenosha in Milwaukee and Chicago. These proposals build on existing strengths, like the College of Menominee Nation and the practice of tribal members who have moved away to return to the reservation.

The study concludes with specific recommendations, including both how to take advantage of the establishment of an off-reservation enterprise and how to improve conditions on the reservation, regardless of the fate of efforts to build a facility in Kenosha.

The recommendations include linking programs at the College of the Menominee Nation to employment opportunities at the Kenosha casino and convention center, with an emphasis on apprenticeships that prepare individuals for jobs on the reservation. Jobs at the casino could be used to improve skills and experiences needed for work on the reservation, including positions in a newly developed ecotourism sector on the reservation. Casino funds could be allocated to update and expand jobs at the tribe’s sawmill and to improve forest management. Revenues could expand the tribal clinic to serve more people and provide more emergency services and wellness and prevention programs. Expansion of the sawmill, forestry and wildlife management, and the clinic would create more permanent jobs, and, in turn, the college’s curricula could be broadened to train reservation residents for those positions.

These investments in physical and human capital would enable the tribe to fulfill other recommendations in the report, including improved educational opportunities for children, aid for tribal members who want to start businesses, investments to improve housing and social services, and preservation of the language, culture and traditions of the Menominee through research, education, and cultural events and celebrations.

All these investments would improve the quality of life on the reservation, and thus facilitate the movement of people back to the reservation, capitalizing on a trait of all people from Wisconsin who tend to leave the state after they graduate from high school and college and then return five to 15 years later. Conscious efforts and explicit programs could be developed between the Kenosha project and resources on the Reservation, such as the College of Menominee Nation, to build partnerships and links that further bind the tribe.

Director’s Perspective
continued from page 2

education funding crisis by revising the formula they use to grant state aid to school districts, Andrew Reschovsky says. Leslie Ann Howard and Kathy Hubbard of the United Way of Dane County, Wisconsin, describe how a collaboration among university researchers, United Way staff, volunteers, community members, journalists, and school district employees closed the racial achievement gap at the third-grade reading level in the Madison Metropolitan School District. John Witte explores what kind of students attend charter schools and how that affects their academic achievement. In the realm of governance, Donald Moynihan advises public managers in Wisconsin and elsewhere to consider social networks and to foster social interactions to help retain public sector employees in a time when many of their colleagues are retiring. Dennis Dresang highlights an analysis the Menominee Nation asked the La Follette School to conduct of its community needs and resources. Two articles focus on welfare policy and child support. Geoffrey Wallace finds that more stringent enforcement of child support does not affect non-marital childbearing. Maria Cancian, who just ended her term as director of the Institute for Research on Poverty, describes the institute’s Child Support Demonstration Evaluation, a 10-year study of Wisconsin’s approach to child support for families in the state’s cash welfare program that helped to shape the federal policy taking effect in October 2008. Last, Outreach Director Terry Shelton reports on the impact of our public affairs workshops and the analysis and recommendations our students generate for state agencies, the City of Milwaukee, and elsewhere. He also outlines how La Follette School staff and faculty carry out the Wisconsin Idea.

At the La Follette School we see the mutual benefits of the Wisconsin Idea, inside and outside the University. We engage in research that directly informs policy that benefits the residents of the state and beyond. We teach and provide specialized training for policy analysts and for current and future policymakers. We also learn from those residents and policymakers. The questions posed and the data and other resources provided challenge us to apply the tools we have and to develop new approaches to the important public policy issues we face.

The analyses in this issue of the Policy Report — a sampling of the ways in which our faculty engage with the public — offer many solutions to public policy problems throughout Wisconsin and the rest of the nation. We can think of no better way than this to celebrate the School’s 25th anniversary.

Caroly J. Heining
The U.S. government provides substantial housing assistance to low-income renters through Section 8 tenant-based subsidies. Eligible families receive vouchers that enable them to move to improved housing at a cost that they can afford.

More than 3,000 public housing authorities administer Section 8 vouchers, serving about 1.9 million families nationally, 850,000 of them with minor children. For nearly a decade now, federal spending for Section 8 vouchers has been less than $20 billion and relatively flat. In Wisconsin, nearly 26,000 households receive these vouchers; about 60,000 state residents are assisted, nearly half of whom are younger than 17. More than 40 percent of the assisted households have only one person living in them; most of these are older people. More than 60 percent of the assisted families have received vouchers for more than two years.

The program’s primary objective is to enable “very low-income families to choose and lease or purchase safe, decent, and affordable privately owned rental housing.” A main motivation is to “deconcentrate” poor people by making it possible for voucher recipients to leave public housing projects and move to better neighborhoods.

Recipients must have income that is below 50 percent of the median income of the county or metropolitan area in which they live. In Wisconsin, the average income of voucher recipients is $12,238; about one-half of all families have income that is less than 30 percent of the state’s median income. Less than 40 percent of recipients have any earnings from work, and nearly 60 percent receive Supplemental Security Income, Social Security, or other pension income. Recipients are among the state’s people with the lowest incomes.

A household that applies for and receives a voucher must choose rental housing available in the private market and contribute 30 percent of its income toward rent. The Section 8 program then pays the difference between the tenant contribution and actual rent, up to a locally defined “fair-market rent.”

Receipt of a Section 8 voucher is likely to increase employment opportunities by placing recipients in better neighborhoods. However, gaining more earnings also increases the rental payment that recipients must make, which discourages increased work. Moreover, receipt of a housing voucher works like a dose of increased income to these families, by enabling them to pay less rent. Given the low level of skills held by the adults in recipient families, and the arduous nature of the jobs that they are likely to hold, this “income boost” is likely to reduce the pressure from gaining income through work. Because these factors offset each other, a confident prediction as to whether a voucher increases or decreases work and earnings cannot be made.

A team composed of Deven Carlson, Thomas Kaplan, Barbara Wolfe, and me has measured the effect on work, earnings, and neighborhood quality for low-income families in Wisconsin who received vouchers and secured improved housing. We use an administrative set from the State of Wisconsin supplemented with data from the U.S. Census. These data were obtained through the Institute for Research on Poverty at the University of Wisconsin–Madison and include all voucher recipients who requested or received food stamps and/or Temporary Aid for Needy Families through Wisconsin Works (W-2), Wisconsin’s welfare program.

Using these data, we followed Wisconsin families that first received Section 8 vouchers in 2000 through 2003 during multiple years after their entry into the program. Hence, we can gauge the relationship between housing vouchers and both short- and longer-term labor market success (as measured by earnings and employment rates) and neighborhood quality for these Wisconsin families.
We tracked the pattern of labor market earnings and employment and neighborhood quality for both housing voucher recipients and a matched comparison group of families that have not received housing assistance. We established the matched comparison group through a statistical technique called propensity score matching. As a result, we obtained reliable estimates of the effect of the program on these outcomes.

We first analyzed the effect of voucher receipt on the probability that a family would change its residential location. While 58 percent of the Wisconsin voucher recipients moved within a year after receiving the subsidy, only 44 percent of the matched group moved — apparently voucher receipt increases the probability of moving to another residence by about one-third during the first year. The program stimulates geographic mobility!

However, just moving says little about the quality of the housing to which recipients moved. We find that after four years, voucher recipients lived in neighborhoods with a significantly greater percentage of 16- to 19-year-olds in school, a lower poverty rate, and a lower unemployment rate relative to the matched families. In addition, the median gross rent of the homes in the neighborhood is higher for the recipient group. In sum, over time, those families receiving Section 8 vouchers experienced significant gains in neighborhood quality, relative to similar households that did not receive housing vouchers.

Our main question concerns the effect of the program on households’ work and earnings. Figure 1 shows the pattern of earnings effects. The figure shows that the receipt of a housing voucher results, on average, in an $858 decline in annual earnings in the initial year of voucher receipt, or 12 percent of the average earnings for the matched comparison cases. Apparently, the dislocation accompanying the move or a negative work response to the income or the work disincentives associated with the voucher led to a reduction in earnings in the initial year of observation.

However, by five years after voucher receipt, the negative earnings effect had fallen to $277, or to about 3 percent of the average earnings of the matched comparison cases; this difference is not statistically significant. The average change in earnings during five years between the voucher and matched comparison groups is about $580, in favor of the group receiving vouchers. In the years following voucher receipt, earnings of the voucher group increased by an average of nearly 5 percent per year, compared to an average annual increase of only about 3.2 percent for the matched comparison group.

In addition to examining the effect of voucher receipt on earnings for the whole sample, we analyze the results by subgroups. We found that families headed by women narrowed the earnings gap much more rapidly than families headed by men. For example, for women the annual growth of earnings was 5.1 percent for the voucher group versus 3.6 for matched families without a voucher. Similarly, we found that for blacks and Hispanics, large negative earnings gaps in the initial year turned into sizable positive differences after five years, though the differences at the end were not quite statistically significant. This is reflected in the high annual

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**Figure 1: Effect of Section 8 Voucher Receipt on Recipient Earnings**

Recipient earnings relative to matched control group (plus 90 percent confidence bounds)
rates of earnings growth for voucher-receiving members of these racial groups — 6.2 percent for Hispanics and 5.2 percent for blacks.

The pattern for employment (quarters worked per year) is shown in Figure 2. From the year of voucher receipt to five years post-receipt, the difference in average quarters worked between the recipient families and the matched control group goes from -0.04 to +0.05. This implies that by five years after voucher receipt, recipients work, on average, 4.5 days more per year than their matched comparison group cases (assuming 90 days per quarter). For the voucher group, the annual decline in the number of quarters worked per year was 1.4 percent, while the decline for the matched group was 2.1 percent per year.

In sum, although the initial post-treatment effects on the quality of the neighborhoods in which voucher recipients live suggest little improvement, voucher recipients make significant gains in neighborhood quality four years later. Whereas the initial impact of the program on recipient earnings appears to be negative, in subsequent years, voucher recipients increased their earnings at a substantially more rapid rate than did members of the matched comparison group. There is evidence that vouchers initially prompt people to work fewer quarters each year, but by five years after treatment, voucher recipients recorded gains in quarters worked per year relative to the matched comparison group. In addition, our study of a diverse and large group of Wisconsin low-income families suggests interesting and substantially different responses to voucher receipt by people in different target groups.

These findings present important information to officials in the public housing authority offices around the state in terms of the likely effects of awarding vouchers to different types of families. If policymakers hope to encourage people to work, vouchers should be targeted at households headed by women and racial minorities. Information on which groups use vouchers to move to better neighborhoods — together with information on the types of housing currently occupied — should help public housing authorities to target vouchers so as to maximize the movement of more vulnerable families to improved living arrangements.

For national policymakers, our study has implications for the now separate Section 8 and Temporary Assistance for Needy Families (TANF) programs. The two federal agencies that operate these programs, Housing and Urban Development and Health and Human Services, may want to target some Section 8 resources to TANF recipients to stimulate labor market participation and to improve jobs, both key goals of TANF.

Overall, our study highlights the living situations of some of Wisconsin’s poorest families and those with health and skill characteristics that make them most dependent on public programs. As such, our findings will be of help to state officials seeking to better coordinate assistance, training, and other services for those households that can most productively respond to these public programs.
Child Support Research and Shaping Public Policy

Maria Cancian and Daniel R. Meyer

Policy research presents the challenge of providing analysis that simultaneously meets academic standards and policy needs. But the challenge has its rewards, one the rich collaboration among researchers at the Institute for Research on Poverty, many of them La Follette faculty members, and policymakers in the Wisconsin Department of Workforce Development. The department has asked La Follette School and other university faculty to provide expert analysis and evaluation of important new initiatives related to employment, welfare, and child support policy. In return, we have been given opportunities to work directly with policymakers and state residents involved in large-scale policy innovations, to develop unique data resources, and to challenge ourselves and our students to use the theories and methods we teach to better understand real-world policy problems and solutions.

The Child Support Demonstration Evaluation (CSDE) is a good example of the potential of the Wisconsin Idea. The evaluation was a 10-year study of Wisconsin’s approach to child support for families in the state’s cash welfare program, Wisconsin Works, or W-2. We served as principal investigators; many La Follette School faculty were part of the research team. The project provided policymakers with essential information about the impact of an important policy change. The evaluation enabled faculty and students to research not only the policy change itself but also related issues of interest to policy scholars.

As part of the national welfare reform of 1996, states were given greater flexibility in determining how to distribute child support paid on behalf of children whose mothers were receiving welfare payments. Wisconsin alone allowed all child support paid by noncustodial parents (usually fathers) to go to the family. Under a federal waiver received in 1997, Wisconsin families were able to receive the full amount of monthly child support collected (“full pass-through”), and all of that child support income was ignored in calculating the families’ eligibility for welfare payments (“full disregard”). Most other states decided to retain all the child support paid on behalf of families receiving welfare to offset welfare payments. In Wisconsin, if a nonresident father paid current child support to a mother receiving welfare, she would have more money to cover expenses. In most other states, she would not.

Wisconsin’s innovative approach to child support and welfare was the subject of a full evaluation from its inception in 1997 as part of the original W-2 program. The central component of the CSDE was a random-assignment evaluation; most W-2 families received all their monthly child support, but some child support was withheld from a randomly selected control group when they participated in W-2. This approach allowed us to attribute any observed differences in outcomes between the two groups to the difference in the treatment of child support. The experimental evaluation and related research drew on a large longitudinal database incorporating administrative data from several sources, and three waves of data from a longitudinal survey of participating families.

We found that families in the experimental group received more child support, which largely reflected the mechanical effects of the policy change, in which experimental-group mothers received the full amount paid and control-group mothers did not receive the full amount with their W-2 benefits. We also found small but statistically significant differences in the percentage of fathers who paid support, and thus the percentage of mothers who received support, as well as significantly higher rates of paternity establishment in the first year for the experimental group. The child support effects were substantially larger for families who had not been long-term welfare recipients. While there were differences in some components of government costs, we found no difference in overall government costs between the experimental and control groups. Although more child support was passed through to those in the experimental group, not all of this was at the expense of government, since some consists of additional support that would not have been paid in the absence of

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the full pass-through and disregard. More importantly, the reform generated cost savings in other areas, especially in W-2 cash payments. Overall, we concluded that the full pass-through and disregard provided significant benefits to families, without increasing total government costs.

Wisconsin’s child support pass-through and disregard policy changed again in January 2006; the federal waiver that permitted the CSDE has expired, and the full-pass through has been phased out. While Wisconsin families participating in W-2 still receive more of the child support paid to them than they would in most other states, they no longer benefit from a full pass-through and disregard. At the same time, federal policy initiatives, drawing on lessons learned in Wisconsin, has changed to encourage other states to follow Wisconsin’s original innovative approach. Beginning in October 2008 new federal policy allows states to pass-through and disregard the first $100 per month of child support for one-child families, and $200 per month for larger families without reimbursing the federal government for its share of the support. Our investigation demonstrates the potential advantages of this policy.

The CSDE results have contributed to policy change in Wisconsin, at the national level, and internationally. For example, the United Kingdom recently proposed a fundamental redesign of its child support system, including a substantially increased pass-through. The government’s policy proposal includes a reference to the Wisconsin CSDE as evidence for the importance of allowing families receiving benefits to receive more of the child support paid on their behalf.

The data resources and insights gained in the course of the evaluation have also contributed to a range of more traditional academic research projects — projects that have fewer immediate policy implications, but that aim to contribute to our basic understanding of, for example, the dynamics of family formation.

To illustrate, consider an ongoing project investigating patterns of multiple partner fertility — a term referring to one mother (or father) having children with more than one father (or mother). When we began the CSDE we had in mind as the focus of our analysis a mother, her children, and the father of those children. An unmarried W-2 participant (usually the mother) was assigned to the experimental or control group. The father would be classified by association — if the mother of his children was in the experimental group, so too the father. But a demographic reality quickly challenged this principle: a significant number of fathers had children with more than one woman, and about 6 percent of fathers in our sample had children with two or more mothers participating in the program we were evaluating. Some fathers had children in both the experimental and control group.

Confronting this reality not only created challenges for our evaluation efforts, it opened up an opportunity for us to embark on a new project and collect important new data, to examine the frequency and consequences of multiple partner fertility. This research is ongoing, but we have found, for example, that of all families with a child support order administered through the Wisconsin child support enforcement system, one in three includes at least one parent who has had children with multiple partners (the father owes support to more than one mother, and/or the mother is owed support by more than one father). Among families who have participated in the cash welfare system, two in three include a parent who has had children with multiple partners, and in one in three couples, both the mother and the father has had multiple partners.

Research on these families, the formal and informal support provided to the children by biological fathers, and by fathers of their half siblings, will help us address fundamental questions about the conditions under which parents support their children and the children of new partners. These questions have important implications for economic theories of the family. They also have important implications for public policy. For example, to what extent should the child support paid by a nonresident parent, or received by a resident parent, reflect support they may already pay to or receive from other partners? What are the implications for marriage promotion policy if many single parents have had multiple partners? Which father should a mother marry? And how will his other children fare if a father marries the mother of some of his children?

Conducting research on these issues at the University of Wisconsin has created many opportunities. Insights regarding the importance (and frequency) of complicated families emerged in the course of the CSDE. Data collected for policy evaluation also supported basic academic research on multiple partner fertility. The complex policy issues multiple partners raise has motivated additional research aimed at analyzing family resource decisions and the implications for policy. It has also been the focus of many presentations and meetings with policymakers, family court officials, and others at the state and federal levels.
Recent research suggests that financial incentives influence the decisions people make about whether to have children and whether to marry. This coupled with increased efforts at child support enforcement during the 1990s prompt us to ask whether efforts to enforce payment of child support affect decisions about child-bearing.

From the point of view of economic theory, this connection is not clear. For women, the expectation of more child support due to increased enforcement may provide incentives for (or facilitate) nonmarital child-bearing. Conversely, increased efforts at child support enforcement may lead men to make choices that reduce the likelihood of them becoming fathers to avoid support obligations. Strengthened efforts at enforcement may also change the incentives facing men who are already, or are expecting to be, fathers and thus reduce nonmarital births and increase marriage (and marital births) among women in the absence of counter forces. A man who has or expects a child and faces a support obligation may find it economically convenient to marry the mother, depending on a variety of factors (economies of scale in family size; the size, nature, and status of support orders and obligations; their incomes and those off their potential spouses; and geographic considerations). The net effects of all of these factors on child-bearing is ambiguous.

The potential effects of child support enforcement efforts on child-bearing is important to Wisconsin, as policy here has endorsed a relatively strong enforcement regime. Figure 1 shows trends in three measures of child support enforcement for the nation and for Wisconsin between 1989 and 1999. The first measure — the proportion of female-headed families with child support collections — uses data from the March Current Population Survey. The second measure is the percentage of cases receiving benefits from Aid to Families with Dependent Children or Temporary Assistance for Needy Families (AFDC/TANF) with collections in a year divided by the average monthly AFDC/TANF caseload. The last measure is an index of child support enforcement constructed by Chien-Chung Huang of Rutgers University and Irwin Garfinkel and Jane Waldfogel of Columbia University. All three measures were normalized so that the national average and standard deviation in 1989 are both one.

All of the child support enforcement measures increase over time at the national level, but the AFDC/TANF collection rate increases more, particularly after 1998. From the early 1990s to 2000 the AFDC/TANF collection rate more than doubled. Although limited in coverage to AFDC/TANF child support cases, this rate is probably more accurate than alternative administrative collection rates, and is thought to be broadly consistent with overall collection rates. All three measures are comprehensive in that they reflect the evolution of combined efforts to locate noncustodial parents, to establish paternity and support orders, and to increase collections.

On the basis of all three measures, it is apparent that the states have been increasing their efforts at child support enforcement during the period 1989 to 1999. Additionally, Wisconsin is well above the national average in the strength of its child support enforcement efforts. In both the beginning and the end of the period, and for all three measures, Wisconsin is at least one standard deviation above the national averages. According to another measure (not shown), Wisconsin is also well ahead of the national average in terms of average amount of child support that never-married women with children receive.

Studies on the effects of welfare programs’ incentives to encourage marriage and limit nonmarital births generally report no statistically significant effect on nonmarital child-bearing, the number of households headed by women, or marriage. The policy implication of these findings is that altering incentives for women may not be as effective as providing strong deterrents.
for men to father children out of wedlock. Thus, increased child support efforts might discourage nonmarital fatherhood.

Few studies have examined the effects of child support enforcement on nonmarital child-bearing and/or marriage. Those that do suggest that increased child support enforcement reduces nonmarital births and increases marital births. However, the data sources in these studies are problematic. They cover a limited cross section of states over a limited time period, rely on aggregate state-level panel data, or are based on a single cohort of women followed over time. Additionally, they do not distinguish between first births and subsequent births or they estimate the effect of child support enforcement on the first birth only, despite the fact that unmarried women with children (and the fathers of their children) have a greater level of exposure to and experience with issues surrounding the sharing of parental responsibilities (financial or otherwise) than do people with no children.

To address those shortcomings, my analysis addresses the relationship between the strength of child support enforcement and nonmarital child-bearing. I use national individual-level data from the 2001 and 2004 panel of the Survey of Income and Program Participation along with state-level measures of the strength of child support enforcement, welfare rules, and economic conditions to assess whether enforcement efforts affect child-bearing among never-married women. I construct child-bearing (and marriage) histories for two groups of women. The first group consists of never-married women who turned 16 after 1988, and the second comprises never-married women who gave birth to their first child after March 1988 (and thus might have a second child after 1989). I track both groups from the time they are at risk for a first or second birth until they have a nonmarital birth, they marry, they reach the age of 45, or the end of the sample period (December 1999) is reached.

Using these histories I estimate the length of time of nonmarital birth intervals, which I model as ending in one of two ways: A nonmarital birth interval can end because a women has a nonmarital birth (thus beginning a new interval) or because she marries (and thus no longer would have a nonmarital birth). Individual annual probabilities of birth are specified as a function of a set of control variables and several measures of the strength of child support enforcement efforts.

My results find that a more stringent child support enforcement effort has little effect on non-marital child-bearing. The one exception is that the child support enforcement index is estimated to have small negative effect on the likelihood of a second birth. Taken as a whole, the evidence here suggests that the strength and effectiveness of state child support enforcement efforts do not have a sizable impact on non-marital child-bearing. For policymakers in Wisconsin and elsewhere, this suggests increased efforts at child support enforcement are not likely to reduce non-martial child-bearing in any sort of appreciable way.◆

Figure 1: Trends in Child Support Enforcement

![Graph showing trends in child support enforcement](image-url)
Students Practice Wisconsin Idea through Public Affairs Workshops

Terry Shelton

What started as a laboratory learning exercise almost 20 years ago has blossomed into a signature capstone policy analysis class for La Follette School master’s degree candidates — and along the way helped save real money and solve real problems for governments around the world.

Now a required course known as the “Workshop in Public Affairs” with a domestic or international focus, the program started in 1990 when then-La Follette Professor Michael Wiseman called City of Milwaukee budget director David Riemer to propose research on urban issues.

“I got a call from Wiseman, introducing himself as an urban economist and interested in the important public policy issues associated with big cities, such as poverty, welfare, health care, employment, finance and education,” recalled Riemer, who went on to be state budget director and head of the Wisconsin Health Project, among other positions.

“Out of that came the idea that second-year students would be assigned to work on a research and policy project that was important to the city, usually a budget issue, which helped us solve problems but met the curricula criteria for La Follette, too,” says Riemer.

Wiseman, now a professor at George Washington Institute of Public Policy, recalled that he and La Follette School Professor Andrew Reschovsky thought the work in Milwaukee would provide a good research outlet for them and for their students.

“Madison wasn’t — and isn’t — representative of large American cities,” says Wiseman, who did similar work with the city of San Francisco while a faculty member at the University of California at Berkeley. “I saw an important role for Milwaukee in the state’s economic future, and I felt it important that La Follette be as ‘Milwaukee competent’ as possible.”

So he and Reschovsky went to Milwaukee to visit with Riemer, who took them into the office of then-Mayor John Norquist, a 1988 La Follette alum.

“Mayor Norquist and Dave were extremely supportive,” says Wiseman, noting that the work was “just a laboratory learning exercise” and not a capstone project.

Over the following years, however, the class exercise grew to involve several projects a year. The client base expanded to include projects for many State of Wisconsin agencies, plus others that include the city of Madison and Dane County in Wisconsin.

The program got a major boost when Wilbur Voigt, a University of Wisconsin-Madison economics alum in Chicago, gave a donation to La Follette to help offset the costs for students and faculty during their research.

Voigt, 94, graduated from the University of Wisconsin with an economics degree in 1938. He and his wife, Rosemary were aides to Senator Bob La Follette Jr. in Washington, D.C. Voigt was liaison with Midwest corporations and eventually went to Chicago to work for Sears & Roebuck Co., managing its entry into computerization in the 1950s. His 1997 donation to La Follette supported what became the formal public affairs workshop now required of every La Follette graduate.

When the La Follette School added a master’s in international public affairs starting fall 2000, the scope

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Students practice the Wisconsin Idea by producing research-based, analytical, evaluative, and prescriptive reports for real-world clients ranging from municipal governments to international development organizations.
Sample of Clients and Reports, Workshop in Public Affairs, Domestic Issues, 2000-08

Reports are available online at www.lafollette.wisc.edu/publications/workshops.html.

U.S. Government Accountability Office
- Retirement Income Security: Hybrid Pension Plans
- Merit Further Attention
- Retirement Benefits and Unemployment Insurance: What Creating Offsets for Social Security Retired-Worker Benefits Would Mean for Trust Fund Balances and Older Workers

Wisconsin Department of Administration
- Low- and No-Cost Sustainable Design Solutions for Existing Wisconsin Government Facilities
- Complying with Act 141: Renewable Electricity Consumption at State Facilities

Wisconsin Department of Health and Family Services
- Housing Trust Funds and Wisconsin: Funding for Lead Hazard Control
- Fee-for-Service Medicaid in Wisconsin: An Evaluation of Quality Improvement Initiatives for the Aged, Blind and Disabled
- Does Mental Health Parity Make Economic Sense for Wisconsin? An Evaluation of the Effects of Mental Health Parity in the Commercial Insurance Market

Wisconsin Department of Natural Resources
- Improving Recovery of Recyclable and Reusable Materials in Wisconsin: The Feasibility of a Bottle Bill and Other Policy Options
- Evaluating Green Tier: A Practical Guide for the Wisconsin Department of Natural Resources

Wisconsin Department of Revenue
- The School Property Tax and Homestead Credits: Accuracy, Equity, and Contribution to Overall Fiscal Relief
- Changes in Shared Revenue and the Effects on WisconsinTaxpayers
- Wisconsin’s Manufacturing Machinery & Equipment Tax Exemptions: A Framework for Analysis
- Supporting Public Service Efficiency: Creating Incentives for Local Government Collaboration in Wisconsin

Wisconsin Department of Transportation
- Mobility in an Aging America: Design, Licensing, and Alternative Transportation Options

Wisconsin Joint Legislative Council
- Treatment of Juveniles in the Wisconsin Criminal Court System
- Justice Alternatives for Wisconsin: Reducing the Costs of the Criminal Justice System
- An Analysis of Community Aids
- Older People, New Problems: Implications for Long-Term Health Care in Wisconsin
- Wisconsin’s Medicaid Waiver Autism Services
- Wisconsin’s Open Records Law: Balancing Access and Privacy in the Information Age
- Improving the Effectiveness of Wisconsin’s Comprehensive Planning Legislation
- Special Education Funding in Wisconsin: An Analysis of Distribution Mechanisms

City of Milwaukee
- Unemployment Compensation in Milwaukee: Evaluating and Improving Cost Management
- City of Milwaukee: Distributive Impacts of a Local Vehicle Registration Fee
- Workers Compensation Program Improvements: Managing Workplace Safety and Costs
- Transportation Utility Fees: Possibilities for the City of Milwaukee
- Vehicle Use by Employees of the Milwaukee Department of Neighborhood Services
- Billing at the Milwaukee Health Department Clinics: An Analysis of Potential Revenue Gains
- An Analysis of a Red-Light Camera Program in the City of Milwaukee
- Analysis of a Local Sales Tax in the City of Milwaukee
- Consolidation of Fire and EMS Dispatching Services
- Alternative Funding for Tree Pruning
- Evaluation of a Light-Duty Program for the City of Milwaukee Fire Department
- Reducing Infant Mortality: An Evaluation of Nurse Home Visitation in the City of Milwaukee
- Rental Unit Licensing: Applicability to Milwaukee
- Alternative Uses for Community Development Block Grant Funded Housing Programs in Milwaukee
- Intergovernmental Collaboration in the Milwaukee Metropolitan Area

City of Madison, Wisconsin
- Evaluation and Analysis of Madison’s Development Review and Permitting Process

Dane County, Wisconsin
- Filling the Gap: Alcohol and Drug Abuse Treatment in Dane County

University of Wisconsin–Madison
- Flex Parking and Transportation Demand Management: Proposal for a Redesigned Biennial Transportation Survey
of the workshop projects went international. MIPA students have produced reports on a wide range of issues for clients across the globe — in Geneva, Paris, Rome, Mexico City, Dhaka, Chicago, and Washington, D.C. A 2002 report was selected for publication in a capstone project symposium in the *Journal of Public Affairs Education* (January 2003).

In handling each report, a team of students collaborates with the client under the guidance of faculty members, including Reschovsky, Karen Holden, Donald Moynihan, Susan Yackee, and Melanie Manion. A second section of the domestic class was added in 2006, and two years later the class became a mandatory capstone project for all master’s candidates.

“Our faculty look at this workshop class as an applied version of a master’s thesis,” says Carolyn Heinrich, director of the La Follette School. “It provides students practical experience applying the tools of analysis acquired during three semesters of prior coursework to actual problems clients face in the public, non-governmental, and private sectors.”

Heinrich says the projects give the students invaluable experience. “Students work in teams to produce carefully crafted policy reports that meet high professional standards. The reports are research-based, analytical, evaluative, and, where relevant, prescriptive responses to real-world clients,” she says. “While acquisition of a set of analytical skills is important, it takes learning by doing to solidify students’ understanding of their applications.”

While no complete record or follow-up of the projects (more than 60 just since 2000) has ever been compiled, some recent reports have had quick results. For example, when Wisconsin Governor Jim Doyle announced a record purchase of renewable electrical energy from state utilities, he did so based partially on recommendations La Follette School students made in a capstone report to the Department of Administration last year.
La Follette School students made in their report, *Complying with Act 141: Renewable Electricity Consumption at State Facilities*. The students examined four policy alternatives. But the strongest option, and the one the governor chose, was to purchase renewable electricity from local utilities that invest in in-state resources to generate renewable electricity.

That decision was the top recommendation La Follette School students made in their report, *Complying with Act 141: Renewable Electricity Consumption at State Facilities*. The students examined four policy alternatives. But the strongest option, and the one the governor chose, was to purchase renewable electricity from local utilities that invest in in-state resources to generate renewable electricity.

That option performs “well in terms of maximizing feasibility and promoting a healthy natural environment in Wisconsin,” the students wrote.

Doyle explained that purchasing electricity from renewable sources will cost the state an additional $1 million per year but he expects Wisconsin to begin saving money from this investment within seven years.

Gil Funk, administrator of the Wisconsin Department of Administration’s Division of State Facilities, says the La Follette study played a role in the decision. “What the students did helped bring all of this together and contributed to the final decision. Everybody deserves a pat on the back for the effort,” says Funk.

Funk also says another study done by a La Follette group in 2006, *Low- and No-Cost Sustainable Design Solutions for Existing Wisconsin Government Facilities* had similar results. In that case, the La Follette students made some wide-ranging suggestions for the Department of Revenue’s main office building, including transportation, energy efficiency, water efficiency and natural gas and electricity efficiency.

Once those findings were coupled with suggestions from a consultant hired to do a wider energy audit, natural gas usage dropped so much that the gas company sent out a worker to check if the meter had stopped working. “But nothing was wrong. Everything was just right,” says Funk. “And it was a combination of things, including the La Follette study, that contributed to that significant drop.”

Finally, a spring 2008 study, *City of Milwaukee: Distributive Impacts of a Local Vehicle Registration Fee*, suggested the city impose a $20 local vehicle registration fee (a “wheel tax”). The Milwaukee Common Council voted in July to impose the tax. Mayor Tom Barrett vetoed it in August, but the council is expected to consider an override in September.

The fee, which would collect about $6.6 million annually, would be used to repair and replace city streets, alleys and sidewalks, along with other transportation-related needs. The ordinance would eliminate fees charged to property owners for street repairs in front of their properties. It also would reduce how much they pay for alley improvements from 90 percent of the total cost to 60 percent and reduce their share of sidewalk replacements from 70 percent to 50 percent.

La Follette students recommended the fee, but not property tax relief, based on their analysis of how the fee would affect residents based on geographic area, income level, property ownership (renters versus owners), and number of cars per household.

A 2005 workshop report for Milwaukee suggested a local sales tax of 0.075 percent, but city officials did not pursue that option.

“Getting results is one purpose of the workshop class,” says Heinrich, La Follette’s director. “But getting the students into the real world with real clients and real problems — regardless of the outcome — is the best result of all.”

More public affairs research from the La Follette School is available online through the La Follette School Working Paper Series www.lafollette.wisc.edu/publications/workingpapers
La Follette School Outreach Disseminates Public Policy Research, Education

Terry Shelton

The footprints of the Wisconsin Progressive movement cross the political landscape in the form of Social Security, unemployment compensation, banking regulations, insurance commissions, grassroots democracy, and many more groundbreaking policy innovations. Many of those footprints originated in a 150-year-old house overlooking Lake Mendota, where “Fighting” Bob La Follette took philosophy classes as an undergraduate at the University of Wisconsin.

That same house at the top of Observatory Hill is now home of the Robert M. La Follette School of Public Affairs.

Before that, as the Center for the Study of Public Policy and Administration, and since then, the La Follette School’s mission has been to bring policy solutions and ideas to society’s thorniest problems through teaching, research, and outreach.

Two of the three legs of the mission — teaching and research — are common to most policy schools. But the outreach function distinguishes La Follette as its faculty, staff, and students practice the Wisconsin Idea and connect the university with the practitioners of public policy.

Outreach delivers world-class research and teaching to residents across the state, around the nation, and throughout the world. Outreach can take the form of a series of books on the state budgeting process, a national conference on big city problems, dissemination of the results of a pilot project to get people off welfare, a governor’s blue-ribbon commission on campaign financing, expert testimony to lawmakers, a seat on a board, advice to emerging governments in South Africa, or presentation by members of a policy analysis class to their clients.

La Follette School outreach includes:

◆ Faculty contribute numerous articles, interviews, chapters, papers, and studies on every major policy topic from economic development to treatment for alcohol dependency to climate change for a myriad of academic journals, and they share their knowledge through the popular media.

◆ Faculty testify at state, regional and national hearings, including one in 2007, when La Follette professor emeritus Robert Haveyman told the Wisconsin Senate Committee on Economic Development, Job Creation, Family Prosperity that the state should increase its investment in higher education.

◆ Since 1995, La Follette School faculty and staff have helped host and teach the Bowhay Institute for Legislative Leadership Development, a program for rising legislative leaders from around the Midwest and Canada, co-sponsored by the Midwest office of the Council of State Governments. More than 500 legislators have gone through the program, including almost 50 from Wisconsin.

◆ La Follette has led a Women in Government leadership seminar for present and future women leaders selected by the Wisconsin Women in Government. More than 200 women have graduated from the program since it started in 2001.

◆ For more than 10 years, La Follette led a series of public health seminars aimed at combating gangs and youth violence in more than 50 cities, communities and tribes around Wisconsin.

◆ During the past 18 years, La Follette has held a biennial briefing for lawmakers recently elected to the Wisconsin Assembly and Senate, giving them a crash course on policy issues they are likely to face, including welfare, economic development, school finance, and environmental regulation.

As outreach director, Terry Shelton is the La Follette School’s staff person most responsible for promoting the Wisconsin Idea. He came to the La Follette School in 1993 after five years as city editor of the Wisconsin State Journal. He combines his journalism background with his graduate education in public policy to support the school in establishing links with policymakers at all levels of government.
La Follette hosts dozens of special speakers and guests each year, including a session devoted to the poverty research of the late Paul Offner, a former Wisconsin state senator, Ohio health commissioner, and fellow at the Urban Institute; a program featuring a new book by Rep. David Obey; and a series of speakers with the University of Wisconsin-Madison’s Center for World and the Global Economy (WAGE).

La Follette co-hosted with WAGE a three-year study, including conferences and speakers, on currencies and the global economy.

For three years, La Follette has sponsored, with the Wisconsin Senate Chief Clerk’s office, a weeklong session for selected high school seniors on the political process and policy issues.

La Follette School faculty are helping to administer a piece of a $41 million National Institutes of Health (NIH) grant at the University of Wisconsin-Madison. The grant, given to the new Institute for Clinical and Translational Research, is one of the largest grants in the history of the University of Wisconsin School of Medicine and Public Health, making the campus a key player in an ambitious NIH plan to transform the country’s clinical and translational research enterprise.

Since 2007, La Follette has sponsored a “First Friday” seminar series on selected topics for the governor’s budget office, featuring presentations by faculty from around campus.

La Follette has hosted two training seminars for leaders from Wisconsin 11 tribes on state government legislative actions during the past four years.

Since 2006, La Follette has helped co-host visitors, speakers and conferences by the Environment and Public Health Network of Chinese Students and Scholars to examine policy, research, and education issues related to China’s emergence as a world power.