

# MILWAUKEE PUBLIC SCHOOLS

## A CITY'S LOST ECONOMIC PROMISE

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**D**uring tight budget times it is assumed that state government scrutinizes every dollar spent. Yet, amazingly little attention is paid to the largest single expenditure made by state government; payment to Milwaukee Public Schools.

In recent years Wisconsin has been obsessed with economic development. We are told over and over that we have lost 62,000 manufacturing jobs, our per capita income has fallen 5% below the national average and we have become a state long on industry and short on technology. The angst caused by these statistics has yielded a dizzying array of economic plans, well publicized summits and countless roundtable discussions. Probably the most respected plan came from the Wisconsin Technology Council, which published *Vision 2020: A Model Wisconsin Economy*. That plan called for increased collaboration between the universities and business, the creation of technology clusters and the advancement of proprietary technology fueled by a highly educated work force.

Yet, state government has failed to pay attention to a key element of economic development right under its nose; the education of



its urban children. This year state government will write its largest check of \$715 million, sending it to Milwaukee Public Schools to support stunningly disappointing performance. Will the students emerging from MPS be ready for the jobs of the new economy? Sadly, the answer to this questions is no.

The political leadership in Madison, who agree on very little, agree that Wisconsin must strive for a high tech, high education economy. However, until they also agree to put the performance of Milwaukee's children at the top of their economic agenda, Wisconsin will never reach its full economic potential.

### **MPS: Wisconsin's Internal Brain Drain**

In Milwaukee's golden age of manufacturing a worker could earn a middle class income in one of the many plants dotting the city landscape, holding only a high school diploma — or less. Those days are gone. The sons and daughters of yesterday's factory worker will require decidedly more education and training to achieve today's middle class income. Earning is tied to learning, both learning in the

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school setting, and learning in the job setting. Employers who pay middle class wages will not hire workers who have deficient learning skills. That is not negotiable. Only in low paying service sector jobs are employers willing to settle for employees with minimal education.

There is a troubling divergence between the skills required by today's industries and the performance of Milwaukee's school children. How well are Milwaukee Public School children prepared for the higher standards of today's work place? MPS students perform poorly in the very skills required in the business workplace and many take the ultimate step of dropping out altogether. Employers hoping to compete in today's market need workers who are creative and willing to indulge in continuous learning. Yet, MPS students live in a culture that seems to devalue education.

Each year thousands of Milwaukee's children fall well short of their academic potential. Not only will they suffer personally through diminished earning potential, but the economic vitality of Milwaukee will also suffer. In the midst of Wisconsin's largest city is a potential labor force that is not prepared for the demands of today's or tomorrow's jobs. This is a brain drain of the worst kind.

### **Education and Money**

Entry level skills required in the workplace are changing. Even frontline work, such as manufacturing heavy machinery or processing insurance claims, require the use of math, team building and discretion. In their book *Teaching the New Basic Skills*, Frank Levy and Richard Murnane identify the skills students will need. Specific skills include a ninth grade level of reading and math, problem solving, oral and written communication, an ability to work in groups and some facility with personal computers.<sup>1</sup> Businesses will locate and grow in areas where there is an ample supply of workers with these skills.

Harley Davidson, one of Milwaukee's most prominent employers of blue-collar workers, understands the need for all workers

to continue learning. Their employee handbook provides that "All employees are expected to demonstrate a willingness to continually learn."<sup>2</sup> Labor and management throughout Harley Davidson know that employees must constantly have their knowledge and skills upgraded. This is one of the key elements in the turnaround of the company.

The importance of education is particularly stark at the pay window. Even though the high school diploma is not the academic credential it once was, having a diploma still has a positive impact on future earning capacity. The Bureau of Labor Statistics issued a report showing that women over age 25 earn significantly more if they have at least a high school diploma. Those having received a high school diploma earned \$421 per week compared to \$303 earned by those without the diploma. (Those having a college degree earned \$760 per week.) This is a 39% pay differential.<sup>3</sup>

### **Performance of Students in Milwaukee Public Schools**

MPS exhibits characteristics found in many urban school systems in America. It has a high incidence of poverty (73% of fourth graders qualify for free or reduced lunch<sup>4</sup>), a high incidence of unwed pregnancies (63% of births are to unwed mothers, the fourth highest nationally<sup>5</sup>), and the minority population in the school system that represents a majority of students (82% of the MPS student population<sup>6</sup>).

The Department of Public Instruction collects data on student performance and student aspirations. From these statistics emerges a picture of a culture that places little value on educational achievement. It is a picture of educational attainment that one would expect to find in a developing country, not in a city that was once one of the major economic centers of America.

### **Test Scores**

To measure student performance I examined the data from the standardized tests administered to all Wisconsin public school students in grades four, eight and ten. The

tests are designed to measure proficiency in reading, language, math, science and social studies. That data is shown in Table 1. To provide a reference point for the MPS data, statewide results are also shown.

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**TABLE 1 2002 FOURTH, EIGHTH, AND TENTH GRADE TEST DATA  
MILWAUKEE PUBLIC SCHOOLS AND WISCONSIN AVERAGES**

Subject	Fourth Grade % Proficient		Eighth Grade % Proficient		Tenth Grade % Proficient	
	MPS	WI	MPS	WI	MPS	WI
Reading	55	79	41	74	26	60
Language	53	73	46	70	28	62
Math	42	69	10	44	11	43
Science	45	77	19	60	13	48
Social Studies	56	82	40	79	26	65

Source: Wisconsin Department of Public Instruction

Table 1 shows that on the fourth grade reading test only 55% of MPS students scored at a level of proficient or better. This compares with 79% of students statewide. A similar percentage of fourth grade students were proficient in language and social studies. However, less than 50% of MPS fourth graders were proficient in math and science. This weakness is exacerbated in higher grade levels.

In the eighth grade test, the percentage of MPS students scoring as proficient or better on math dropped to a mere 10%. Stated differently, *90% of MPS eighth graders failed to demonstrate proficiency in math*. Science proficiency is similarly disappointing with proficiency dropping to 19% among eighth graders and 13% among tenth graders.

Every projection of skills needed for the future identifies math and science skills as essential. As it stands today, very few MPS students have the necessary academic skills for their own economic well-being, much less to fuel the economic growth of the city.

Test results in reading, language and social studies also show a significant decline by the tenth grade, although not quite as pronounced

as the decline of math and science scores. By the tenth grade only 26% of students demonstrate proficiency in reading and social studies, while 28% demonstrated proficiency in language.

### Truancy and Drop Outs

DPI data show other disturbing indicators of the quality of tomorrow's workforce in Milwaukee. MPS is a school system marked by truancy rates<sup>7</sup> of 36% in elementary school, 54% in middle school and 72% in high school. Clearly for many MPS high school students, attendance is seen as optional.

With such high truancy rates, it follows that MPS would have low graduation rates. In the 2001-02 school year fully 2,889 MPS students dropped out of school. MPS graduation rate stood at 60% (compared to a statewide average of 91%). While this rate is troubling, it represents a marked improvement over the 50% rate seen as recently as 1996-97.

### Post High School Aspirations

It is also interesting to understand the aspirations MPS students have toward continuing their education. While most of the poorest performers choose to leave high school, of those that remain, only 37% take the ACT test

(compared to 57% statewide). Those who took the ACT produced an average score of 18.2, falling well below the state average of 22.1.

Finally, in responding to a survey, only 48% of MPS seniors indicated that they plan to attend either a four-year college or a two-year technical school. This compares with a statewide average of 70%. Continuing education and retraining long ago became a standard expectation in many industries, yet over half of those students making it to the end of their high school program in MPS see taking even the initial step as out of the question. This is perhaps the clearest indication of the divergence between the expectation of employers and the aspiration of students.

Milwaukee is not alone. Nearly every large city in America struggles with the same low performance of its public school children. In 1999 New York test results showed that 2/3 of its eighth grade students failed the English test and 3/4 of the eighth graders failed the math test. Eerily similar to Milwaukee, New York found that in fourth grade half of the students failed the math test. Urban America faces a daunting educational challenge and Milwaukee is no exception.

While urban education is disappointing in almost every setting, its impact on Milwaukee is especially harsh. Milwaukee has fallen significantly behind its other urban peers in terms of economic muscle. Its per capita personal income now stands \$5,400 below the national average, ranking Milwaukee 44th among the nation's fifty largest cities. Milwaukee simply cannot afford a breakdown of any element of its economy. For recovery to succeed, the Milwaukee economy will require that all components are hitting on all cylinders. The performance of its school children is one of the economic keys.

Academic performance as gloomy as the MPS test results suggest something deeper than social or pedagogical factors must be in play. The depth of the test results and the attrition rates suggest a phenomenon that must be largely cultural. This culture might be

explained by the vicious cycle facing many urban children. As explained by Ralph Whitehead Jr.:

The shortfall in reading and math has two damaging consequences that combine in a vicious circle: Given what they see in their pool of job applicants, employers are reluctant to hire new high school graduates for upgraded jobs. Given the visible failure of those in school ahead of them to get good jobs, students in junior high and early high school believe that what they do in class has no value.<sup>8</sup>

It would almost be understandable to become resigned to the poor performance of Milwaukee's public school students. However, such resignation would imply that future economic growth in Milwaukee would occur by working *around* the low performance of MPS students. Not only would the city continue to have an inadequately trained workforce, it would continue to see the growing costs associated with low educational attainment including poverty, drugs and crime.

### **School Aids vs. Student Performance**

The performance of MPS students does not seem to be high on the list of policy issues being addressed by state government in Madison. Dominating the education policy scene in Wisconsin is the formula for distributing school aids. There is a long-standing fascination with the formula. Both the governor and legislature have recently appointed groups to review school aids. One analyst with a good memory noted that there have been no fewer than ten such reviews in the last several years.

Why isn't the performance of MPS students on the policy radar in Madison? It should be. Although the performance of MPS students might seem remote to many elected officials in Madison, it is not. State aid to MPS is the biggest check written by state government. In 2003, state government will send \$715 million to MPS. That's \$715 million of state aid to fund a dropout rate of 40% and an eighth grade class in which 90% of the students cannot do math.

It is also becoming apparent that Wisconsin will never realize its full economic potential without a robust Milwaukee economy. Yet, until the MPS performance issues are rectified, that economy is likely to remain in the doldrums. It is in the interest of all of Wisconsin to see attendance at MPS schools increase and test scores to more closely mirror those throughout Wisconsin.

The current state of education in Milwaukee in an odd way presents an opportunity. The prospect of a major American city dealing successfully with its urban education problem could provide a branding for Milwaukee that would resonate in many circles. If Milwaukee is branded as a place where all sectors support educational attainment, it would have a significant impact in attracting individuals and businesses to Milwaukee. Milwaukee would become a place where people remain in the city to raise their children and where business and industry could count on an adequate supply of skilled workers. But much needs to change to make that goal a reality.

#### **A Few Suggestions for Change**

##### ***Measurement***

The effectiveness of each school and every program funded at MPS should be measured annually, especially regarding effectiveness in increased student attendance and performance. Chicago offers an example in the *Consortium on Chicago School Research* which is an independent body consisting of academics, school officials, reform leaders and the public. Its sole mission is to evaluate school performance. This single focus represents a model of analytic urgency that is lacking in Milwaukee. It would also help identify resources that could be reallocated to improve attendance and performance. *The Center for the Study of Systemic*

*Reforms in the Milwaukee Public Schools* at UW Madison offers a good foundation for this initiative.

##### ***Standards***

Academic standards must be high and tailored to the needs of Milwaukee businesses. This will benefit the community and the students. MPS and the Metropolitan Milwaukee Association of Commerce should partner in setting educational standards. It is especially important that the standards be tailored to the changing Milwaukee economy.

##### ***Merge MPS into the City of Milwaukee***

In so many ways, schools are a key part of any strategy for the future development of Milwaukee. Other major cities, including Chicago and New York, have seen the important link between a city's prosperity and its schools, and have moved to merge the two operations. This holistic approach would be prudent for Milwaukee.

This would require a change in state law to give Milwaukee's mayor the responsibility to appoint the school board and school superintendent. In a tangible direct way the mayor would be responsible for the performance of the schools. This model would likely increase the stability in the top administration of the district, a district that has seen no fewer than eight different superintendents since 1986. (The current superintendent is widely respected, as have been many of his predecessors. If history is a guide, he is in the last year left in his tenure.) With so much turnover it is difficult for superintendents to fully implement and assess their educational initiatives. As pointed out by Susan Fuhrman, superintendents operating with such short tenure tend to be judged more on their proposals than results.<sup>9</sup>

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Merger of the schools into the city would also provide a clear line of responsibility for the performance of the schools. The mayor, who holds the most visible local office, would assume responsibility for the most important aspect of the city, the performance of its schools.

### ***State Funding Tied to Performance***

Even though standardized testing in grades four, eight and ten is required, there is an odd provision in the statutes that prevents the test information from factoring into school funding. So, even if a school district consistently yields low test results, state funding must remain blind to that information. State taxpayers are expected to just keep writing the checks for the same disappointing results. It's Wisconsin's version of don't ask, don't tell.

It is time to allow school funding to consider not just educational inputs, but outputs — the performance bought by the spending. Shouldn't there be the expectation in Milwaukee and throughout Wisconsin that funding will produce positive results? The performance of MPS students certainly calls this concept into question. State government can no longer distribute aids with a stony indifference as to whether the money will improve the performance of the students. Some portion of state funding should be tied to increasing school attendance and academic accomplishment.

This is not to suggest that funding to MPS be reduced. Rather, some portion of its state funding, say up to 10%, would be placed into escrow if attendance and student performance remain low. The funds would be released only to support spending on efforts that can be shown to yield improved attendance and better test results.

Former Milwaukee Mayor Norquist, in writing about public education noted:

Our children have little prospect for improvement because our schools face no penalty for failure. In fact, bureaucracy rewards failure. Every sign of declining school performance becomes just one more

reason to increase school funding even though, according to Rochester University professor of economics Eric A. Hanushek 'there is little systematic relationship between school resources and school performance.'<sup>10</sup>

As Wisconsin grapples with how to move its economy toward more of a technology base, it cannot ignore the performance of Milwaukee's children. MPS is producing students ill-prepared for the challenges of today's economy, much less the high-tech economy the planners envision. The lack of accomplishment of MPS students is more than just a stone in the shoe of the high-tech oriented plans for Wisconsin. Without a change, Wisconsin is unlikely to realize the world-class status we seem so desperate to attain. Economic development in Wisconsin must begin in the hallways of Milwaukee Public Schools.

### **Notes**

1. Frank Levy and Richard Murnane, *Teaching the New Basic Skills; Principles for Educating Children to Thrive in a Changing Economy*, The Free Press, 1996.
2. Rich Teerlink and Lee Ozley, *More Than a Motorcycle*, Harvard Business School Press, Boston, MA. 2000.
3. *Monthly Labor Review*, U.S. Department of Labor, August 29, 2001.
4. Department of Public Instruction.
5. United States Census Bureau.
6. Department of Public Instruction.
7. Wisconsin statutes define habitual truancy as an unexcused absence of five or more days during a semester.
8. Ralph Whitehead Jr., "New High Schools and the New Jobs," *The Atlantic Monthly*, September 1997.
9. Susan Fuhrman, *Is "Reform" the Answer for Urban Education?* PennGSE.
10. John O. Norquist, *The Wealth of Cities*, Perseus Publishing, 1998.