

# REMEDIAL BUDGETING FOR THE MILWAUKEE PUBLIC SCHOOLS

JAMES H. MILLER

**M**ark Twain observed, “First God made idiots, that was just for practice. Then he created School Boards.” Those words certainly have been applicable to the Milwaukee Public Schools for the last decade. Last April 6, voters in Milwaukee decided they had had enough with their School Board, voting against an enormous tide of money sup-

plied by the Milwaukee teachers’ union and national liberal groups such as People for the American Way. They installed five School Board members with a common goal of increasing educational reform and parental choice. The next day *The Wall Street Journal* chimed in with the importance of this victory and made it an important national event. There is little doubt that educational reforms will be aided by this election, but just how important is it?

For the last generation the Milwaukee Public Schools have been spiraling toward the kind of urban educational decay we thought only possible in large cities, such as Chicago or Detroit. Today the public is well aware of the problems — less than one out of two students graduates from MPS and those that do possess skills that, charitably, can be best described as



remedial. Local businessmen have little confidence in either the system or the graduates when it comes to hiring employees.

Ironically the debate for the last decade has not centered around the performance of the Milwaukee Public Schools as it has over the newly enacted private choice schools. The MPS-backers — consisting of educational

bureaucrats, the teachers union, and the usual good government types — have tried to focus public discussion on how to regulate a few elementary schools with several thousand pupils, while ignoring the MPS system with a hundred thousand students. It has been a spin effort that continually raises non-performance issues while ignoring the essence of what is happening in the classroom to the students who are still trapped in the Milwaukee Public Schools. Even with the current School Board changes, the vast number of students in Milwaukee will continue to be educated in public schools. About five thousand will be bused to the suburbs under the current 220 system, and another 10,000 to 15,000 will eventually end up in choice or charter schools

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inside the city of Milwaukee. When you put these numbers together, approximately 75%-80% of students will remain in schools that desperately need major reforms.

Yet current educational debate in Milwaukee has an almost academic tone to it. Major changes such as charter or choice schools will take years before the results are known. That is not altogether different from many of the reforms that were started a generation ago in MPS. We were first told in the 70's that busing would be the way to improve the educational performance of students in Milwaukee. Since then there have been five year plans after five plans. This year there were two suggestions made — one was laptop computers. This idea made absolutely no sense because many of the students entering MPS high schools can barely read and write, not to mention that a majority of them will drop out before they graduate. The other was a guarantee that all K-2 students would be able to read at grade level — potentially a nice reform unless you happen to be the parent of a third, fourth, fifth... grade student. In addition, the so-called reading guarantee — which of course would be well into the future — said nothing about math or writing skills. The point of all this is that educational rhetoric has been used for over a generation to put off any type of accountability for the current performance of students. Even those who argue for educational choice and charter schools are still acting in the future. The real problem is if you happen to be the unfortunate parent of a child sitting in the Milwaukee Public Schools today, what exactly can be done to help them? A few will qualify for voucher, charter or 220 schools, but what about the rest?

No one has really come up with a reform that deals immediately with the vast majority of kids in MPS who are receiving a poor education with little chance of improvement over the foreseeable future. There are many reasons for this, but perhaps the number one is money. If you look back over the last 20 years in the Milwaukee Public Schools, the one area that drives the system is the question of dollars. Whenever MPS has suggested any kind of

changes or reforms, it has called for additional funding. There were never any changes in the structure of the system; rather, reforms were instruments to increase budgets. These new programs had very little to do with changing educational performances of the children. Some have been stunning in terms of the bureaucracy's ability to increase funding for no legitimate reasons. Begin with Chapter 220. When busing was introduced it was accompanied by the usual social and educational goals for an integrated school system which would lead eventually to higher academic performance for minority children. A generation later there is absolutely no academic research that shows that this happened. What did happen, however, was that the MPS bureaucrats gained financially from this system. Again it was because of how the program was devised. A student sent from Milwaukee to the suburbs was counted twice for state funding. The receiving district who educated him would get state funding for that student, but MPS also received the same amount of funding for the student, even though the student was no longer in their schools. This began an absurd situation where MPS received money for students it did not educate and those dollars would be in the millions each year.

Another bonanza for MPS was the dropout rates. Early in the school year, the state funding formulas are based on the number of students who are in attendance on the specific day the count is taken. Over the years MPS has done everything possible to get these children counted, which translates into the maximum amount of money they can receive from the state. We know historically that during the school year well over 3,000 students will drop out of MPS. For the rest of the school year MPS will receive funding for students who drop out after the attendance date, even though they are not attending any Milwaukee Public School. These additional phantom students that MPS doesn't educate put millions of dollars into their budget, which leads us to the current fight that MPS has been waging over choice students. MPS has stated for the last year that they will lose approximately \$20-\$25 million a

year of their budget from state sources because of educational choice. That is true. The problem is in the real world, why should they receive this money? They are losing thousands of students that any normal business would not expect compensation for because they no longer educate them, but the funding of the Milwaukee Public Schools has never been a rational exercise. Remember for a generation they have been used to getting funding for students that do not attend their schools. It is the reason that MPS can demand compensation for students that they don't educate. It is also the reason why their supporters continue to cry about the amount of money they are losing while their budgets continue to grow every year. The real purpose of their budget is to increase the size of the system, not the education of the student.

Here is a scary thought: by next year the Milwaukee Public Schools will almost surely have a one billion dollar budget. The vast majority of this budget comes from taxpayers who do not live in Milwaukee. For years the rest of the state has been subsidizing a school system that by any measurement is an academic failure. One wonders sometimes how legislators from around the state can go home to their constituents and tell them that there may not be enough local money in their educational budget while still sending their tax money to Milwaukee to educate phantom students. But it is this question of the MPS budget that is most disturbing. How will a new School Board be able to get control of it? One of the problems in Milwaukee is the sense that no one, including the superintendent, really knows how the school budget is spent. There has always been rhetoric and general pronouncements, but there doesn't seem to be the expertise one would expect to find in a billion dollar institu-

tion. There is no indication that the current MPS budget is used in a way that places the education of children as its top priority.

Perhaps the best example of this is the way money is used in the education of elementary school students. Most people would agree with the old adage that education begins when the teacher shuts the school door. Yet the Milwaukee Public Schools seem to take no notice of this in the way they allocate their money. Almost ten years ago we produced a study by a researcher named Michael Fischer. He examined fiscal accountability in Milwaukee's public elementary schools and traced how the money was spent. This particu-

lar study was praised by such national institutions as the American Federation of Teachers for the way it was able to dissect the MPS budget. Perhaps the key finding of this entire study was that only 26% of the total cost per pupil in MPS elementary schools went for the classroom teacher's salary and benefits, furniture, supplies and books. That study was based on figures almost a decade ago. One would have hoped that over the last

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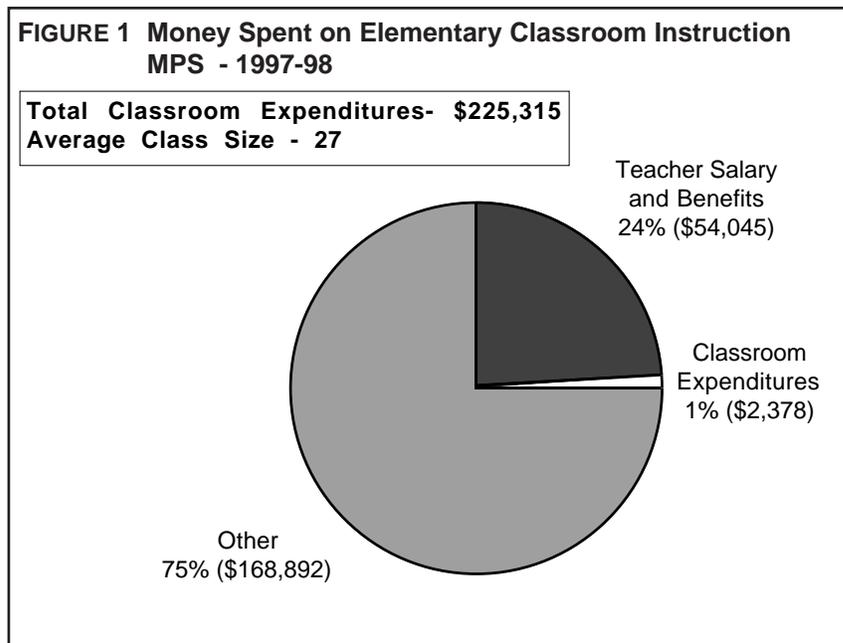
several years that times would have changed at MPS with all the rhetoric about reform and the notion that the system is for the children. In fact the spending at MPS today is worse than it was at the time of Fischer's study. The easiest way of approaching this is using the same formula. First we will take the average class size as provided last year in a study by the Wisconsin Education Council. It put the average elementary class at MPS at 27. Next we will use Wisconsin Taxpayers Alliance 1997-98 figures for the average teacher salary and benefits in Milwaukee, which is \$54,045. Finally we will use the Public Policy Forum's number for 1997-98 on the per pupil spending in MPS, which is \$8,345. The total class spend-

ing was \$225,315. Average class size was 27. The average spending for teacher salary and benefits was \$54,045 and the average per classroom spending for furniture, supplies and books was \$2,378. The total spending on teacher salary and benefits and classroom expenditures was only 25% of per pupil costs, which means that only one out of four dollars spent on elementary children is being spent directly in the classroom.

not in the classroom. It sounds crazy, it is crazy, but that is the way it works.

This attitude on the money also comes into play with new proposals. Earlier this year MPS excitedly announced that a study from the University of Wisconsin-Milwaukee on its SAGE program showed that smaller class size was having a dramatic effect on academic performance. When this study was released, it

was greeted with tremendous enthusiasm by the pro-MPS factions in Milwaukee. *The New York Times* was slightly less ecstatic. It reported that the United States Department of Education had recently released a report showing that teacher quality might be far more important in educating children than class size. It also found that the research from Professor Eric Hanushek of the University of Rochester concluded that the quality of the teacher was more important



Where does the rest of the money go? Who knows? You will always hear terms such as transportation costs, administration, capital costs, special education, etc., but it holds very little meaning if you happen to be the parents of one of those children in those classrooms where they are receiving very little support. Choice opponents criticize the small budgets of private schools but in many instances they are using more money in the classroom than MPS. The point is that private and parochial schools allocate their resources on their mission, which is educating children. The vast amount of their funding will go into the classroom. At MPS their priority is not educating children. Their major priority is increasing the public school system and the system dictates that economically their money should be used

than class size. It goes without saying, however, that MPS favors smaller class size because it would increase the amount of money coming from the state. Given the formula that only one out of four dollars goes into an elementary school classroom under the current system, the amount of money needed by MPS to implement smaller class sizes would be staggering.

What could be done to improve the Milwaukee Public Schools? In fact there are several things that must be done if there is to be any hope of changing the plight of **all** the students being educated today in the Milwaukee Public Schools. The first step is the selection of the new superintendent. The selection of Spence Korte certainly appears to be a step in the right direction. The former superin-

tendent, Dr. Alan Brown, was hired by a previous board whose policy was to protect the status quo. Correctly the new board understood that it could not have leadership from a superintendent who spent election night hoping their opponents would win. Unfortunately for MPS, it will take an additional \$400,000 to dismiss Dr. Brown. After a previous election, Howard Fuller resigned. He did not rip off the system supposedly run for the children. How many books and teachers does \$400,000 buy?

However, there is one very cautionary note about the new superintendent. It is one thing to be a successful principal in an individual school. It is quite another to take over an enormous school district with a budget approaching a billion dollars. In business terms it would be the same as taking a successful Chevrolet dealer and making him President of General Motors. Being a good principal does not necessarily equate with being a good superintendent. This is why the School Board should seriously consider another recommendation.

Secondly, MPS desperately needs someone from the outside who understands the budget. You can't make changes in a billion dollar operation until you understand how the money is spent. The School Board needs someone they trust to tell them what resources are available so they can determine their priorities for spending.

Third, while charter and choice are extremely important reforms, help is needed

now for the majority of students. The best way is to reallocate the money that is spent in the classroom. MPS could easily lower elementary class size by simply spending more money directly on classroom instruction. The consequences of this is that some bureaucrats may be looking for new work, but that's the way the real world works. You cannot have accountability in a system until people who don't perform are replaced. The new School Board must make the highest priority of the district the education of children, not the permanent job security of the employees.

Another major problem will be the next teacher contract. Again you cannot run a system where no one is held accountable. Teacher seniority and the cost of pensions are extremely worrisome for the present and certainly the future. The School Board must be willing to take a very hard line over negotiations in the next contract. They may also need the strength to take a strike, something that would take enormous political fortitude. The fact is the current system will not change without dramatic moves. There is movement in Michigan and Illinois, as well as other states, to do something radical about how urban schools are run. If the Milwaukee Public Schools can't make dramatic progress over the next several years to turn a billion dollar budget into the education of students, then Wisconsin should seriously consider eliminating the School Board. It serves no purpose to have elected officials who do not have the courage to take the steps needed to make our children literate for the next millennium.