

# MPS ON THE BRINK

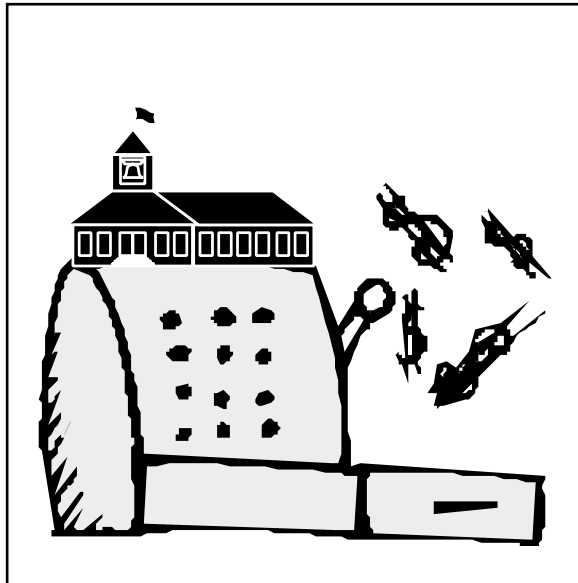
## *ELECTION RESULTS COULD FORCE PROGRAM CUTS AND SCHOOL CLOSINGS TO SAVE LAVISH FRINGE BENEFITS*

MARK KASS

The defeat of Milwaukee Public School (MPS) Board member John Gardner in the spring 2003 election was a devastating blow to the reform movement that had swept MPS in recent years, pushing forward some dramatic improvements to the struggling school system.

Now because of Gardner's defeat, MPS stands on the brink of a financial crisis with a board majority that is supported by the Milwaukee Teachers Education Association (MTEA). That board is likely to decide against any attempt to rein in a lucrative fringe benefit and pension package for teachers — a reform Gardner had emphasized in the recent campaign.

Instead, MPS observers say it is likely that classroom funds will be dramatically cut, or schools will be closed, or Milwaukee property taxpayers will be faced with hefty tax increases — as high as 16 percent in the next several years, according to some estimates. The first example of events moving in this direction could be seen in the passage of the 2003-04 MPS budget, which required an 8.8 percent increase in the property tax levy and the elimination of up to 600 jobs.



A second example was the first action of the new board, which was to vote itself a substantial pay raise at a time when it was facing a huge budget deficit. The increase was rolled back after several days of public outcry, but political observers said it showed the agenda of the union-backed board.

“The school district has a fiscal problem that will require revision of the collective bargaining agreement or, eventually, the closing of one or more schools — maybe both,” said George Mitchell, a Milwaukee school expert who has worked nationally on promoting the Choice School Program. “The election outcome reduces the likelihood [of revising the collective bargaining agreement]. More broadly, the new majority has soundbites, but no basic strategy for improving educational achievement, whereas the old majority, in combination with the new superintendent, did have some ideas and were pushing them forward.”

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The linchpin in efforts to keep those ideas moving forward for MPS and to reducing fringe benefits was the re-election of Gardner, a fiery board member who had won a lot of supporters and created a lot of enemies with his frequent outbursts and abrasive style.

“John got painted as the divisive force, and no one looked at all the good things he did while he was on the board,” said Jeff Spence, MPS Board president, who won re-election easily in April. “The focus was on style instead of results, and that was wrong.”

Spence was re-elected president of the board in May 2003, a surprise to many political observers. His election was determined by the swing vote of Charlene Hardin, who switched allegiances to vote with the pro-business board members in exchange for prominent committee assignments.

During Gardner’s tenure, the MPS Board had unanimously approved Superintendent William Andrekopoulos’ far-reaching proposals and plans to re-engineer high schools, authorized binding powers for MPS School Governance Councils, created new schools to enhance MPS’ competitive attractiveness, and collaborated with other partners in many neighborhoods.

But with all five pro-reform board members up for re-election and none of the union-backed members on the ballot, the MTEA knew all it had to do was win one of the five races to regain control of the nine-member board. The union had lost control of the board in 1999 when the reform candidates surprisingly won five races to take a 7-2 advantage.

### **How Gardner lost**

Gardner, an organizer in the 1970s for Cesar Chavez’s United Farm Workers Union in California, had already made a lot of enemies during his eight years on the board. But perhaps most devastating for his re-election prospects was his decision in January 2003 to launch an attack on the lavish fringe benefit and pension package that MPS teachers receive.

When Gardner held a news conference outside of MPS headquarters in January, calling for the School Board to require teachers to contribute to premium payments for their “Rolls Royce” healthcare plan and to end the double pension that had been implemented for MPS employees, he in essence was putting a big target on his back for critics to shoot at in the upcoming spring elections.

Gardner proposed implementing a plan to continue to offer MPS employees a non-HMO plan for health insurance, in which they would pay no share of the premium. However, he wanted employees who chose the HMO plan currently offered by MPS to pay a premium of up to \$300 a month. MPS officials estimated that implementing this plan would save MPS about \$33 million annually.

The policy Gardner proposed is the same one already in place for MPS Board members and Andrekopoulos. The current HMO plan for MPS employees costs the District and Milwaukee taxpayers about \$1,100 a month or \$13,200 a year per MPS employee.

To offset a frequent argument that a change in fringe benefits will hurt MPS’ efforts to recruit new teachers, Gardner said during the campaign that he would have also proposed raising the starting salary for teachers from \$29,700 a year to \$32,000, which is equal to the average starting salary for teachers in surrounding suburban districts. Funds for this expenditure would have come from the District’s Central Services budget.

Right now, Gardner said, 55 cents of every dollar MPS spends on salaries goes to fringe benefits. That figure will rise to over 60 cents in the near future if current pensions and insurance costs do not change.

“We need to make sure we are putting all the resources possible into the classroom,” Gardner said. “We can not continue to offer lifetime “Rolls Royce” healthcare and double pensions, while continually cutting classroom funds.”

That argument lost, much to the surprise of some local political observers. But it should

not have been a surprise. Gardner's loud, bull-in-the-china-shop style alienated some of his school reform supporters and energized members of MTEA and the state's teachers union, who wanted control of Wisconsin's largest school district.

There are three main reasons why Gardner was the only one of the five incumbent members of the MPS board not to be re-elected.

### **Lack of business support**

Unlike 1999, when Gardner was re-elected, the Milwaukee business community, for the most part, sat on the sidelines this time around. The Metropolitan Milwaukee Association of Commerce did run ads for Gardner, but not until late in the campaign. Several business executives said they were losing interest in MPS because the board keeps changing hands and they were not seeing improvement on their issues.

Gardner was able to raise about \$60,000 to \$80,000, compared to the \$200,000 he raised when he ran in 1999. And he didn't get much television time until the weekend before Election Day when an ad featuring Milwaukee County District Attorney E. Michael McCann and former MPS Superintendent Howard Fuller was rushed onto the air. National interest and contributions did not come until late in the campaign after a *Wall Street Journal* editorial and other national media attention appeared.

"The business community came on and did a number of things for the campaign, but it was pretty late in the game," Spence said. "I think it was misplayed. I don't think they believed there would be that strong of opposition against John."

The national enthusiasm that was evident in 1999 over the MPS Choice program just wasn't there this time around, and, from a fundraising standpoint, that hurt Gardner. National funding totaled \$100,000 to \$120,000 in 1999, compared with about \$40,000 this time.

### **Abrasive style made a lot of enemies**

Gardner's abrasive style over eight years had angered a lot of people. For example, during the final few days of the campaign, Gardner accused MPS Board member Jennifer Morales, who was working hard for Gardner opponent Tom Balistreri, of "pimping" for a former teacher's union official who had received a job with MPS. Gardner also went on the Charlie Sykes' radio show in early January to talk about how much was being spent on Viagra for MPS teachers.

The campaign also had a hard time generating press coverage on campaign issues because extensive coverage of the war in Iraq dominated the news. The pension issue raised some interest among residents, but it never received the wide-

spread coverage that a pension controversy in Milwaukee County had received in 2002.

### **Benefits issue energized union**

While the public wasn't as tuned in, the fringe benefits and pension issue did energize the teacher's union, which had not hid its disdain for Gardner. MTEA had a well-organized and well-funded get-out-the-vote drive that obviously worked for its handpicked candidate, Balistreri.

MTEA officials were not going to let the board take away the lucrative fringe benefits and pensions they feel their members deserve. Gardner's campaign knew it was a risky issue

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that would energize the teacher's union, but it also represented Gardner's best chance of interesting non-MPS employees in a low-turnout election.

The MTEA also spent more than \$200,000 on radio and television ads. In an election where there was only a 12 percent turnout, the union started with 12,000 votes in the bag from its members and supporters. In total, only about 50,000 votes were cast in the election.

The MTEA also kept a tight leash on Balistreri so he wouldn't say anything about any issue that could be used against him. He often refused to answer questions directly during debates and schools forums, instead focusing on Gardner's bristling personality. The *Milwaukee Journal Sentinel* went so far as to say in its editorial endorsing Gardner that Balistreri was "skimpy on details" on how to reach any of his goals. His handlers basically hid him, figuring their turn-out-the-vote drive would be enough to win in a low-turnout spring election.

#### **Future is unknown**

So what does Gardner's loss mean to the future of MPS?

Some have speculated that the loss of the reform majority on the MPS Board may be a deathblow to the popular Choice program. After the union took control of the MPS Board in 2001, the union went to Madison to lobby state legislators to cut funding for the popular program.

Gardner had joined with Milwaukee Mayor John Norquist and the MMAC in 1990 to push for state legislative approval of the Milwaukee Parental Choice Program, which today gives vouchers for parents to send 12,000 students — more than 10 percent of city public school enrollment — to private schools, with the state paying about \$5,553 for each child's education.

The Wisconsin voucher program was expanded to include religious schools in 1998.

But Mitchell and Howard Fuller, a former MPS superintendent and a local choice propo-

nent, said they were confident the Choice program was not in danger because of the recent election results.

"To the contrary, we are in a stronger position now than ever before because of the changes in the state Legislature, the victory by [Wisconsin Supreme Court candidate] Pat Roggensack and the Supreme Court victory in Cleveland," Fuller said.

Roggensack, a Republican, has stated that she supports the School Choice Program; with her election, conservatives control a majority of the Court.

The Choice program has been very successful in Milwaukee, thanks to the support of Gardner, Norquist, and Republican members of the state legislature. In fact, the 2003-05 state budget approved by the state legislature included the removal of the cap on the number of students who can participate, along with a study to chronicle the success of the program.

Aggregate school spending has risen by more than a third in Milwaukee since Gardner joined the school board in 1995. Per-pupil spending has risen by 40 percent to \$10,228, well above the national average of \$7,640. There are now 19 charter schools in the city — up from zero eight years ago.

According to Gardner, more than 100 independent and religious institutions participate in the voucher program, and standardized test scores are up by five percentage points.

#### **Future of Andrekopoulos**

Several MPS observers predicted that Gardner's loss would spell trouble for Andrekopoulos, who was appointed by the pro-reform majority in August 2002. MPS has had a revolving door of superintendents in recent years as the board switched majorities — from Fuller to Alan Brown to Spence Korte to Andrekopoulos.

Andrekopoulos has won many supporters in the community and was rewarded with a two-year contract in the weeks before the election, on a unanimous vote.

However, Gardner and other reform board members said the union-backed board members were much more critical of Andrekopoulos behind closed doors and voted for the contract extension to take that issue away from people who might use it in the ongoing campaign against Balistreri or any of the other union candidates.

Gardner said it is doubtful that the union-backed members would fire Andrekopoulos, but it is likely that they will micromanage his administrative operations and slow down the pace of reform.

“They are going to try and choke him slowly so he gets frustrated and leaves,” Gardner said. “And Bill is a very well-respected educator in this country and could go anywhere and not have to deal with that. It is going to be tough to keep him in that job for the next two years.”

During the first few months under the board, union board members seemed hesitant to challenge Andrekopoulos much, knowing he enjoyed popularity with parents and local media. But that could change in future months as key decisions will be made on teacher contracts and benefits.

An example could be seen in a June 2003 decision by the board, on a 5-4 vote, to reject most of the bids from bus companies seeking contracts with the district; instead the board approved one-year extensions of many of the existing contracts. This was done to appease union members who had argued that the bus companies had inflated their bids to retaliate for unionization at some of their terminals.

The action was taken despite a stern warning from Andrekopoulos and the Milwaukee City Attorney’s office that such a move could

cost MPS about \$139,000 more than accepting the low bids, and also that it could be challenged in court by the bus companies. Andrekopoulos warned board members that the District was sending the wrong message to state lawmakers and the public by agreeing to spend an extra \$139,000 on busing during a year of grave financial difficulties.

#### Future funding

The rest of the agenda for the new majority is unclear. Rather than focusing on cutting fringe benefits, the group has promised to lobby hard in Madison for more state funds. But with the state facing a \$2 billion budget deficit, an increase in state funding is unlikely, Spence said.

“We are going to have to make some tough choices in the near future, and the answer does not lie in Madison,” he said. “There is no more money for us in Madison. We are going to have to live with what we have, and that may end up being cut too.”

That prospect was played out when Republican lawmakers passed a budget that slashed shared revenue

and other education funding. MPS officials predicted the action would reduce the district’s expected revenue by \$23 million for next year and leave them with a projected gap of \$116 million by 2005-06.

Luckily for MPS, Governor Jim Doyle used his veto power to reshape the Republican budget, but MPS was still left struggling with a reduction in state funds.

And with fringe benefit costs expected to climb to \$500 million over the next several years, classroom funding is going to have to be cut, or taxes will have to be raised, or the union is will have to buckle and support cuts in the lavish benefit package. In the days prior

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to the election, Gardner even predicted that the school district could go bankrupt or be taken over by the state if changes were not made in the benefits package.

“No one ever said we wanted to take away health care; all we wanted was a contribution for the best plan,” Spence said. “This is going to be a tough issue for the unions. They run the risk of being painted as villains if they cut classroom funding or raise taxes. They have a lot at risk over the next couple of years.”

#### **Plans for 2005**

The onus is now on the business and reform community to try to win back the majority in the April 2005 elections, when four union-backed members will be up for re-election (and at least one member, Lawrence O’Neil, has already announced plans to retire).

Political observers say candidates were already being lined up to challenge the other three union-backed board members, with the strongest challenges expected to be made against Hardin and Peter Blewitt.

Both Mitchell and Fuller say the business community is currently deciding, “whether it makes sense to spend any more time and money on MPS elections.”

Mitchell said he believes it is very important for the business community to continue and to increase its support for the reform candidates in the 2005 election. “The main reward is illustrated by a number of MPS reforms implemented in the late 1990s,” he said. “The District is better organized now than before to do its job. The main incentive is the prospect of sustained support for policies that make schools accountable for results.”

Added Fuller, “I think we need competitive pressure from outside and a reform-minded board that will fight for change on the inside. I would argue it is very important for the business community and others to get ready for the next election and find candidates and support them.”