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AUTHOR Fischer, Michael
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ABSTRACT

This report describes the current spending priorities of the Milwaukee (Wisconsin) Public Schools (MPS) and suggests how the same amount of money could be better spent on educating children. The report's major findings include the following: (1) of an average $6,451 expenditure per MPS pupil in 1989-90, only 26 percent finds its way into the elementary classroom; (2) of this $6,451 per-pupil expenditure, only $3,659, or 57 percent of per-pupil costs, is spent in the average MPS elementary school; (3) the proportion of MPS money going to instruction has decreased steadily over the past two decades, from 70 percent of the budget in 1968 to 45 percent in 1989; (4) although the overall MPS budget has grown by 88 percent since 1978, teacher salaries in real dollars have declined; (5) MPS expenditures per elementary pupil include $65 for all supplies, materials, books, furniture, and equipment, compared to $943 for administration; (6) there is an MPS ratio of one person in administration for every four teachers; and (7) total MPS spending for administration is twice as much as for student transportation. An alternative, bureaucracy-reducing budget is proposed. The report includes statistical data in 11 tables and graphs and five appendixes. (AF)

Wisconsin

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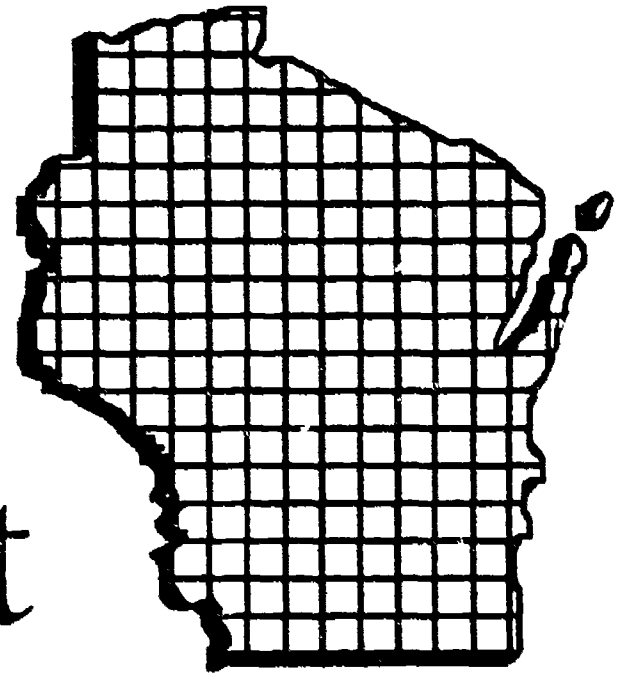

September 1990 Volume 3, No. 4

FISCAL ACCOUNTABILITY in MILWAUKEE'S PUBLIC ELEMENTARY SCHOOLS

"WHERE DOES THE MONEY GO?"

Report from the Executive Director:

In January of 1989 we published a study called "Fiscal Accountability in Wisconsin's Public Elementary Schools." It dealt with the question of how money was spent. This report is a natural progression on our original study. The purpose of this study was to begin to understand how MPS's budget is spent. Michael Fischer is a MPS elementary school teacher who has spent the past several years trying to understand MPS's budget and the lack of instructional resources in his classroom to teach his students. Fischer's research was supervised by Professor Sammis White, Director of the Urban Research Center at the University of Wisconsin-Milwaukee, who co-authored our original report on fiscal accountability in the public schools. The results of this study are truly startling: only 26% actually spent on classroom instruction. Yet another study recently published in New York supports this type of number. The New York study concerned the New York City High School Division and how its budget was distributed. One of the authors of the study was the actual budget director of the New York City Board of Education's High School Division. The study was publicized in *Forbes* and showed that in New York City's public high schools, only 32% of the budget went into classroom services. When one considers that in most public school districts high schools tend to have a higher priority in terms of dollars than elementary schools, then the Milwaukee elementary numbers are similar to the pattern in New York City.

What these reports are saying to us is that the hundreds of millions of dollars being spent on public education are not going where most of us would like to see it--into classroom instruction. Rather the money is going into layers of bureaucracy and administrative costs that have little to do with educating our children.

This report points out that the spiraling costs of MPS's budget over the last decade has not been fueled by teachers' salaries, but by items outside the classroom. That certainly runs counter to the general impression that teachers' salaries are fueling local educational spending. One of the interesting ironies in our educational system in this country is that private and parochial schools tend to spend the vast majority of their resources in classroom instruction, while public schools now spend most of their resources on non-classroom activities. One wonders what would happen if public education began to spend money on the classroom and not on the fringes and frills in administrative overload that we now see clogging our public educational system. Would MPS have its problems if its enormous budget were used to educate children rather than processing them through a failed system?

James H. Miller

THE WISCONSIN POLICY RESEARCH INSTITUTE

3107 North Shepard Avenue
Milwaukee, WI 53211
(414) 963-0600

FISCAL ACCOUNTABILITY IN MILWAUKEE'S PUBLIC ELEMENTARY SCHOOLS

"Where Does the Money Go?"

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IN

MILWAUKEE'S PUBLIC ELEMENTARY SCHOOLS

"Where Does the Money Go?"

by

Michael Fischer

EXECUTIVE SUMMARY

This report will detail how the Milwaukee Public Schools (MPS) currently spend our money. It will point out current spending priorities. And finally, this report will show how the identical amount of money could be better spent on educating children.

The major findings of this report can be summarized as follows:

* The entire 1989-90 MPS budget, $575,760,405, divided by the full-time equivalent (FTE) number of MPS students, yields a $6,451 per-pupil expenditure. Only a small portion of this $6,451 per-pupil cost finds its way into the elementary classroom (26%).

* Of this $6,451 per-pupil expenditure, only $3,659 or 57% of per-pupil costs is spent in the average MPS elementary school. This $3,659 covers the food, maintenance, utilities, books, supplies, equipment, furniture and fringe benefits. It contains the salaries of everyone who works in the school--from the engineer to the substitute teacher, from the cook to the principal, from the aides to the cleaning staff and all of the teachers including the specialists, the exceptional, and the regular classroom teacher.

* Despite claims to the contrary, the proportion of MPS money going to instruction has been diminishing as a percentage of the total budget over the last two decades. Using an inclusive definition of instruction, instructional spending has dropped from 70 percent of the budget in 1968, to 55 percent in 1978, 48 percent in 1988, and to 45 percent in 1989.

* The MPS budget has grown enormously from $276 million in 1978-79 to $575 million in 1989-90. The total MPS budget has increased by 88%, administrative spending has increased by 99.6% and business functions have increased by 123% between 1978 and 1988. Teacher salaries, meanwhile, have increased by 77% (83% including fringe benefits) during the same time period. The inflation rate during this ten-year time period was 86%. In other words, teachers are not the major cause of budget increases, but instead are paid less in real dollars than they were in 1978.

* When MPS states higher instructional spending figures (which it will), one must carefully check what MPS considers as instructional spending. For example, when MPS says that 63% of total funding is spent on instruction, it considers these expenses as instruction: the administrators, supervisors and all of the administrative costs of eight central office departments--Curriculum and Instruction, Exceptional Education, Staff Development, Student Assignment and others--the equipping and constructing of the community superintendent's offices, food and hotel rentals for administrative meetings, all of the administrative expenses of the Compact for Educational Opportunity (Chapter 220 overseers), and 60% of consultants' fees (including many of Charles Willie's fees, the author of the new student assignment Long-range Educational Equity Plan, or LEEP report).

* MPS currently spends $0.21 per elementary pupil per year on science supplies and books, $65 per elementary pupil for all supplies, materials, books, furniture and equipment, $800 per pupil for transportation ($2,000 per Chapter 220 pupil), and $943 per pupil for administration.

* There are over thirteen hundred administrative personnel in MPS. This translates into one person in administration for every four teachers. Such a ratio implies a severe distrust of teachers and indicates an absurd relationship. Such distrust does not bring out the best performance in teachers or in anyone else.

* Even when many items are excluded which could be considered as at least partial administrative expenses, total administrative spending is over $84 million. This is twice as much as MPS spends on transportation.

* The bureaucratic needs of the MPS use up an incredible proportion of the system's resources. Yet evidence exists that schools, in order to be effective, must find a way around this bureaucratic structure.

* If a way could be found to directly fund our schools rather than our school system, we could do all of the following without spending any more money:

- lower all class sizes to fifteen students per class;

- give a $10,000 raise to every school staff member;

- have an additional three full-time art, drama, computer, science, music or physical education specialists per school;

- have an additional two full-time psychologists, social workers or counselors per school;

- multiply by three the current supplies and book budget per school.

This would put each MPS school over the suburban school level of spending per child in each of the above areas rather than below the suburban level in each area as it is currently. Increasing student achievement would be much more likely.

INTRODUCTION
WHY I DID THIS REPORT?

$6,451 MPS per-pupil expenditure for 1989-90 school year.
$2,970 per-pupil expenditure for my MPS attendance area elementary school for the same year.

The obvious discrepancy between these figures seemed unusual to me. If the Milwaukee Public School (MPS) system was spending $6,451 per child, why was less than half of this amount being spent at the school closest to my home? My oldest son was about to begin kindergarten so this was an important question to me.

I began to make inquiries. I called the MPS budget director and asked what was included in the $2,970 figure (the 1988-89 figure for this school was the only one available at printing and was increased by 4% to account for a year's inflation). He told me that it included the salaries and benefits of all the people who worked in the school on a regular basis--the teachers, aides, principal, secretaries, social workers, psychologists, specialists, substitutes, the exceptional education staff, categorically funded staff, the supplies, books, furniture, building operations (engineer, cleaning staff, utilities, and most repairs), food services, and miscellaneous expenses (summer school and music lessons being two of the larges: miscellaneous expenses).

This seemed to cover everything my son would need educationally. I then asked what was included in the $6,451 figure beyond what he had already mentioned. The budget director responded that it included the construction, transportation, and central administration costs.

Prior to this phone call, I visited ten public schools in Milwaukee to help me to decide where to enroll my son. I wanted to make the best choice for my child, so I spent a considerable amount of time observing and investigating these 10 schools. I was struck by the difference between the specialty and non-specialty schools. For the most part, the children seemed more relaxed, involved, and enthused in the specialty schools that I visited. I noticed a vast difference in resources between the specialty and non-specialty schools. One of the specialty schools had five times the amount of teacher preparation time compared to my attendance area school. Another school had ten times the amount of aides, and yet another had significantly lower class sizes (22 compared to 28 children per class). Student achievement, as measured by standardized test scores, was significantly higher in the specialty schools. I was discouraged to learn that the three schools closest to my home had 50% less money per pupil than the top budgeted schools. As a parent, this situation motivated me to begin an investigation into how money is allocated in MPS.

My second motivation derived from my experience as a teacher for MPS. There was a huge discrepancy between my soaring property taxes (half of which goes to MPS) and all of the decreases I experienced in my classroom. While the amount of money being spent by MPS was increasing significantly above the inflation rate, less was reaching the classroom, school, or children.

Teacher salaries were not keeping pace with inflation. If we wanted creative materials and supplies or quality literature books for our classrooms, we were expected to buy them out of our own money. Teacher preparation time was 40 minutes less per day than it was ten years ago. Aides in the classroom were cut by 15%. MPS class size remained the highest in the metropolitan area.

These cutbacks affected me as a teacher. It drastically lowered my morale as well as the morale of the teachers with whom I worked. It angered many of us who put our hearts into teaching and were only being rewarded with deteriorating working conditions. I needed to find out if the way MPS spent its money was justified in order to continue to put my best effort in this job. I have found no such justification.

SECTION I
WHAT PERCENT OF THE MPS DOLLARS GOES INTO THE ELEMENTARY CLASSROOM OR SCHOOL?

"Legislative mandates, school board policies and administrative rules cannot make teachers more productive. They cannot make teachers work harder or more creatively. The system must work to create conditions under which teachers and principals choose to do everything possible to be effective and help others to be more effective too."
..... Public Policy Forum, Urban Teachers, 1989

"In addition to insufficient materials, scarce equipment, and inadequate staff, teachers in these schools were faced with large classes and unending time demands with no compensation."
..... Institute for Urban Leadership, Working in Urban Schools, 1988

"The unrest, also underscores, they suggested, the frustration of teachers with the education-reform movement, which is seen as demanding more and more without providing adequate resources."
..... Ann Bradley, Education Week, March, 1990

"It's hard to fight the ridiculous."
..... Garrison Keillor

The Milwaukee Public School's 1989-90 Revised Adopted Budget was $575,760,405. MPS has the full time equivalent of 89,249 pupils this year (MPS lists 97,085 pupils, but this total makes no adjustments for the 5,036 Chapter 220 students that go to the suburbs or the 9,700 half-day kindergarteners. See Appendix C for a more complete picture of the student population). Dividing the budget by the full time equivalent number of students yields a per-pupil expenditure of $6,451. Assuming a class size of 28 students (the average used by the MPS budget department), this would yield a total expenditure of $180,600 per classroom.

This is big money. Most private schools charge less than half the $6,451 per pupil. (The State of Wisconsin has just funded a voucher program for 1,000 inner city children at $2,500 per year per student.) Citizens understand quite clearly that the most significant portion of their soaring property taxes is spent on education.

Yet most educators say much more money is needed. As a teacher, I certainly see the necessity of increased school spending. Many children have genuine needs that are not being met. And if these needs continue to be unmet, it can easily result in a poorly educated, unskilled and little-motivated work force which will cost this society much more in the future. But, as a taxpayer, it seems that $6,451 per pupil should be adequate.

What accounts for the discrepancy between the large MPS expenditures and the small amount being spent in the classroom on children? Why are teachers told that they work for a system under severe financial constraints when MPS spends over $575 million annually?

The answer I learned is that only one-fourth of the $6,451 per-pupil expenditure is actually spent in the classroom, while another one-fourth of this amount is spent in the rest of the elementary school to support the classroom (see Figure 6.) The other one half is spent on the business and bureaucratic functions of MPS.

To gain an understanding of the discrepancy between the large total MPS expenditures and the relatively small school instructional spending, there needs to be a clear analysis of exactly where MPS dollars go.

Unfortunately such an analysis is not an easy undertaking. MPS creates, perhaps unintentionally, numerous barriers to citizens' understanding where the money goes. And it is clear that the barriers that prevent parents, teachers, and citizens from understanding also hinder the Board of School Directors and in some (perhaps many) cases even MPS administrators themselves.

"It's hard to come up with the same figure twice around here" .... MPS Senior Administrator

This report will attempt to document why this confusion exists and will illustrate with specific numbers where monies are going within the MPS system. These figures will be debated by some, but, hopefully, this will motivate MPS to present a clearer and more honest disclosure of how it spends our tax dollars. I am not certain of the honesty of the budget, but it is certainly not clear at present. There are many elements about the MPS budget presentation that lead to a distorted picture of where large portions of the budget actually go. The confusing elements are discussed in detail on page 20. But this report starts by deriving how much money is actually spent for instruction, the main charge of the school district.

SECONDARY SCHOOLS HAVE A 28% HIGHER PER-PUPIL EXPENDITURE THAN ELEMENTARY SCHOOLS

The primary focus of this analysis is on elementary school spending. At present, the elementary schools are of crucial concern to me, and they are what I know best. I am an elementary teacher, and my oldest son is about to begin elementary school. But it is necessary to mention that secondary schools receive a 28% higher per-pupil expenditure than elementary schools. This huge discrepancy is mainly based on the following notions:

1. It is assumed that secondary students need significantly lower class size than elementary students, including kindergarteners.
2. It is assumed that secondary teachers need more preparation time than elementary teachers.
3. It is assumed that secondary students need three times more in supplies and books than elementary students.
4. More serious and visible problems arise in the secondary schools, and MPS generally spends more on visible and noisy problems than on the prevention of problems.

Although these notions are highly debatable, it is not the intention of this report to argue that funds need to be taken from secondary schools and given to the elementary schools. Rather, I will show that there are enough excesses in spending outside of the schools to increase the elementary per-pupil expenditures to the level of secondary schools. And by increasing elementary expenditures, students will begin middle schools much more emotionally ready and intellectually motivated to learn. Prevention is usually more cost effective and successful than remedying problems that have become overwhelming.

ELEMENTARY SCHOOL SPENDING

I will now begin an analysis of elementary school spending. There are many ways to define school spending. The definition could be as simple as a teacher, books and supplies or it could include the cost of a new roof and the heating expenses of a school. I will start with the simplest definition and slowly make well-defined additions. I will be presenting the following six different definitions of school spending (see Figure 1, "Where Does the Money Go?"):

1. Classroom spending, 26% of total per-pupil expenditures, which consists of the classroom teacher's salary and benefits, books, and supplies (Box 1).

2. Regular curriculum school spending, 41% of expenditures, which includes classroom spending plus the principal, secretaries, aides, and specialists (Box 2).

3. School site spending, 52% of per-pupil expenditures, which is the regular curriculum school spending plus exceptional education costs (including all social workers and psychologists), food, maintenance, and operations (utilities, engineer and cleaning staff) (Box 3).

4. School site spending with categorical funds--57% categorical funds, money targeted for the low income population of MPS, are now added (Box 4).

5. Elementary school instructional spending, 45% of per-pupil expenditures, which includes the school site spending with categorical funds (Box 4) minus these non-instructional expenses: food, school administration, plant maintenance and operations (Box 5).

6. System-wide instructional spending, 55% of per-pupil costs, which is all of the elementary and secondary school instructional spending as defined by Wisconsin Department of Public Instruction accounting function codes. This is a significantly larger figure than elementary school instructional spending, because secondary schools receive substantially larger per-pupil expenditures than do elementary schools (Box 6).

The first five definitions pertain only to elementary schools. I will now give a more thorough explanation of these spending definitions.

BOX 1: Classroom Spending Explained

At the elementary level, the classroom spending (Box 1) usually consists of a teacher, books, supplies, equipment and furniture.

$33,500 average elementary teacher salary
$10,700 teacher benefits (pension, social security and health)
$ 1,935 books, supplies, furniture and equipment
$46,135 TOTAL COST PER ELEMENTARY CLASSROOM[1]

This $46,135 total divided by 28 pupils equals a $1,647 per-pupil expenditure ($1,265 without benefits). This $1,647 represents the actual classroom spending and is ONLY 26% of the total per-pupil costs ($6,451).

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[1] Source: Calculations made from the MPS Adopted Budget.

FIGURE 1

WHERE DOES THE MONEY GO?

THE
$575,760,405
MPS BUDGET
divided by
89,248 students
equals a
$6,451
per-pupil expenditure

It is spent like this.....

BOX 1		BOX 2		BOX 3
$1,658 per pupil **26% of total** buys classroom teacher salaryand benefits, furniture, equipment, supplies + books	+	**$2,615 per pupil** **41% of total** buys **BOX 1** plus all other regular education staff in the building (principal, specialists)	+	**$3,368 per pupil** **52% of total** buys **BOX 2** plus Exceptional Education food & summer school plant operation & maintenance

BOX 4		BOX 5		BOX 6
$3,659 per pupil **57% of total** buys **BOX 3** plus categorical spending (chapter 1, etc.)	-	**$2,935 per pupil** **45% of total** buys **BOX 4** minus non-instructional costs (food, maintenance, school administration plant operations)	+	**$3,612 per pupil** **56% of total** buys system-wide instuction which adds higher secondary costs into lower elementary average

benefits are included
in all presentations

BOX 2: The Regular Curriculum is Added to School Costs

The first addition to the classroom costs (Box 2), a school's regular curriculum budget, is presented next. This budget contains the majority of the other staff members who work in the building. It includes the principal, assistant principal, secretaries, reading resource teacher, specialists (art, music and physical education), substitute teachers, noon supervision, para-professionals and aides. A school's regular education budget also includes postage, data processing charges, and any other books, supplies, furniture and equipment contained in the building. Appendices A and B show examples of how a high- and low-resource school actually spend this money.

The average regular curriculum charges to an elementary school for 1989-90 were $877,785 (regular curriculum school charges listed in the MPS Analysis of Budget Requests were divided by FTE pupils in each school). The average number of regular education full-time equivalent pupils per elementary school is 421 (see Appendix C for the derivation of this number). Dividing the school's budget by these students equals $2,085 per pupil. Adding in the benefits of the regular education staff, this would give a total cost of $2,615 per pupil. This represents 41% of the $6,451 MPS per-pupil expenditure and is defined as regular curriculum costs.

BOX 3: Other Expenses Are Added to a School Site

Next, the additional expenses of a school building that are charged to an individual school site are added (see box 3). Averages were calculated from the MPS Financial Statements.

Exceptional Education	$191,444
Building Operations	$102,400
Major Maintenance	$ 15,700
Special Programs	$ 71,274 [2]
Food Services	$ 81,600
Regular Curriculum	$877,785
Fringe Benefits	$216,274 [3]
TOTAL:	$1,556,477

This $1,556,477 total, when divided by the average total FTE student population of 462 students (exceptional education students are added at this point), yields a $3,368 per-pupil expenditure. This represents 52% of the $6,451 MPS per-pupil expenditure.

BOX 4: Categorical Funds Are Now Added to School Site Spending

For the schools where a high proportion (over 50% have free lunch) of the students are low income, "categorical spending" is added to the last figure. Categorical funds include Chapter 1, Head Start and P-5 spending, all of which are targeted for the low-income population of MPS. When categorical funds are added, the average school's per-pupil expenditure totals $3,659. Since site specific categorical spending was unavailable, I took the total amount of categorical instructional funds budgeted for 1989-90 and divided by the

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[2] Summer school and individual music lessons are the two largest of these.

[3] The fringe benefits are for the regular curriculum staff only--benefits for other positions are already rolled into the above figures.

total FTE students of MPS to obtain a per-pupil categorical expense of $291. This $291 was then added to other school site expenses of $3,368 to arrive at the $3,659 figure. This $3,659 represents 57% of the $6,451 per-pupil expenditure.

BOX 5: Non-Instructional Expenses Are Subtracted From Total School Site Spending

School spending is not the same as school instructional spending. The school site spending figure of $3,659 per pupil contained many non-instructional expenses, such as secretaries and food. Instructional spending in the elementary schools is, therefore, a much lower figure than the previously noted 57% of total MPS dollars spent per pupil in the elementary schools. The non-instructional expenses: school administration ($134,700), food, plant maintenance and operations at the average elementary school totals $334,400. This $334,400, divided by the average FTE student population of 462, represents $724 per pupil spent on non-instructional items. When this $724 is subtracted from the school site spending of $3,659, it yields a $2,935 per elementary pupil instructional expense which is 45% of total elementary per-pupil expenditures.

BOX 6: Total System-wide Instruction

The total system-wide instructional spending, according to the 1989-90 MPS Budget Report to the State Superintendent of Public Instruction, was $317.4 million. If $317.4 million is divided by the total MPS budget of $575.7, it yields a percentage of 55% of total expenditures spent on instruction. This 55% instructional spending figure is lower than the 57% of dollars on elementary school site spending shown in Box 4 because the Box 6 figure contains only instructional costs. The Box 4 figure contained non-instructional costs such as food, secretaries and maintenance. Box 6, system-wide instructional spending, is larger than Box 5, elementary instructional spending, because Box 6 averages in secondary school instructional spending, which is much higher than elementary instruction.

Now I will return to a discussion of the total per-pupil school spending (Box 4). The average MPS elementary school has a per-pupil expenditure of $3,659 for the 1989-90 school year. This $3,659 represents 57% of the $6,451 total MPS per-pupil expenditure.

This $3,659 covers the food, maintenance, utilities, books, supplies, equipment and furniture. It contains all of the salaries and benefits of everyone who works in the school--from the engineer to the substitute teacher, from the cook to every teacher, from the cleaning staff to the principal. Everyone. Everything.

What does MPS do with the remainder of its money? Before I answer that (in Section IV), I want to question the MPS claim that teacher salaries and instructional programs are the major reasons for budget increases. This MPS claim is highly contradictory of the decreasing resources within the schools that I and my fellow teachers have experienced.

SECTION II
INSTRUCTIONAL SPENDING--THE MAJOR CAUSE OF BUDGET INCREASES?

"The net effect is that those at the bottom of the bureaucratic pyramid - the teachers and principals - become clerks. And children, who bear the total weight of the structure, are not so much educated as processed."
..... Mark R. Shedd, Educational Leadership, October, 1967

"Garfield's good because it gets more money than anybody else. If we had more money, we could make every school that good."
..... MPS Deputy Superintendent as quoted in Milwaukee Magazine

The last section illustrated that only 57% of the elementary per-pupil expenditures is spent in the school. School spending is not the same thing as instructional spending. The school spending discussed in the last few pages contained many non-instructional costs such as secretaries, food, and maintenance. Instructional spending in the elementary schools is, therefore, a much lower figure than the previously-noted 57% of total MPS dollars spent per pupil in the elementary schools.

When the non-instructional costs were subtracted from school spending, it was shown that significantly less than half (45%) of elementary per-pupil expenditures actually goes to anything directly involved in instruction.

This analysis does not assume that all non-instructional expenses are unnecessary. However, instructional expenses, which should be the priority of a school system, are not as large a figure as MPS would like people to believe nor have they been increasing as rapidly as non-instructional spending.

MPS has denied these facts. They have contended the opposite to be true. MPS claims that instructional expenses and teacher salaries have been the major causes of budget increases. [4]

RATES OF INCREASED SPENDING

But having addressed the issue of the smaller-than-publicized instructional spending, let's now examine whether MPS has been giving any priority to instruction in terms of annually increasing the proportion of expenditures for instruction.

The official line is that instructional expenses and teacher salaries have been the major cause of budget increases. This implies, then, that a greater proportion of annual expenditures should be accounted for by the instructional expenses. By examining budget allocations over time, one can see whether this is true.

I will first show in Figure 2 the changes in various expenditures between 1978 and 1988, the decade for which comparable budgets were most readily available (see Figure 2, "Change in Expenditures.")

Notice that items that deal the most directly with children's education--teachers, instructional costs, aides, and library costs--have all increased at less than the inflation rate. In real dollars these items have actually decreased. Meanwhile, the business, busing and administrative expenses have all increased above the inflation rate. It seems ironic that the one administrative expense, principals, that has been shown by research to be of crucial importance for an effective school, is the only administrative expense below the inflation rate.

It also is necessary to note that while teachers nationwide have made some salary gains in real dollars (20% above inflation in ten years time), MPS teachers have not (8% decrease in real dollars over ten years).

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[4] 1989 MPS Comprehensive Annual Financial Report, p. 7.

FIGURE 2

CHANGE IN EXPENDITURES

1978 to 1988

	1978-79	1988-89		PERCENT CHANGE
SUPERINTENDENT'STRAVEL	$5,000	$45,000		800.0%
SUPT.'S BOOKS +MAGAZINES	$250	$1,300		420.0%
BUSING	$11.9	$38.2	*	221.0%
ALL CO TRAVEL	$62,800	$153,000		143.6%
BUSINESS OPERATIONS	$48.3	$107.8	*	123.2%
EXCEPTIONAL EDUCATION	$17.3	$36.6	*	111.6%
ADMIN. NON-SCHOOL	$33.0	$69.6	*	110.9%
ADMINISTRATION	$48.0	$96.8	*	101.7%
FRINGE BENEFITS ^	$44.5	$87.0	*	95.5%
ALL C.O. BOOKS+MAGS	$16,100	$31,200		93.8%
OPERATING EXPENSES	$243.0	$469.6	*	93.3%
TOTAL BUDGET	$276.1	$519.3	*	88.1%
CONSUMER PRICE INDEX	192.3	357		85.6%
TEACHER SAL.+ BENES	$23,600	$43,200	*	83.1%
INSTRUCTIONAL COSTS				
PROGRAM ACCOUNTS ^	$137.8	$245.8	*	78.4%
STATE CODED INSTR.	$180.2	$321.7	*	78.5%
ELEM.+ SECONDARY SCHOOLS	$105.8	$187.8	*	77.5%
TEACHER SALARIES	$18,700	$33,200		77.5%
PRINCIPAL SALARIES	$32,900	$54,100		64.4%
ELEM. LIBRARY BOOKS	$83,000	$117,000		41.0%
AIDES	$5.7	$7.0	*	22.8%
TOTAL LIBRARY COSTS	$2.2	$2.2	*	0.0%

* Millions

COMPARABLE NATIONAL FIGURES

	1978	1988		
TOTAL BUDGET	78.95	167.93	**	112.7%
CONSUMER PRICE INDEX	68.5	121.19		76.9%
TEACHER SALARIES	$15,032	$29,567		96.7%
GREAT LAKES REGION				
TEACHER SALARIES	$15,652	$30,938		97.7%

** BILLIONS

^ Fringe benefits and program accounts
contained different items each year.
Alterations were made to make them comparable

I will now show changes in expenditures between 1982 and 1988, a time period others have examined, from a different stand point.

A local, non-profit research organization, Public Policy Forum, reported that the MPS budget grew at twice the inflation rate between 1982 and 1988 and that this increase was due mainly to three conditions (coincidentally, the same reasons cited elsewhere by MPS):

1. higher teacher salaries;
2. more staff needed because of demands for lower class sizes and enrollment increases;
3. instructional program enhancements.

A careful examination of the MPS budget, however, reveals that these were not the major causes of spending growth.

First, teacher salaries have not kept pace with inflation between the years 1978 and 1988 as shown elsewhere in this report. (Figure 2) Although between the years 1982 and 1988, teacher salaries rose 33%, which was over the inflation rate, they did not come close to matching the overall MPS budget increase of 55%.

Second, it is true that class sizes have dropped slightly between 1982 and 1988, and that the pupil-to-teacher ratio during these years dropped from 18.5 to 1, to 17.8 to 1. (Note: This measure is not the same as class size but any dollar increase would be within this teacher-to-pupil ratio since it is one part of this whole. This ratio includes reading resource teachers, art and other specialists and program implementors.) This decline in pupil-teacher ratio cost $8.9 million dollars. Enrollment also went up, costing MPS approximately $19.7 million. Teacher salaries rose $43.5 million during this period. The MPS budget, meanwhile, increased by $183.7 million. The cost for the decline in pupil-teacher ratio was responsible for 4.8% of the MPS budget increase, enrollment increases were responsible for 10.7% of the rise, and teacher salaries were responsible for 23.6% of the increase. If these were the only increases in the budget, the 1988 MPS budget would have been $406 million instead of what it was--$519 million for 1988-89.

FIGURE 3

Program Accounts--What Is Included?

The entire elementary and secondary school's budgets, which include:

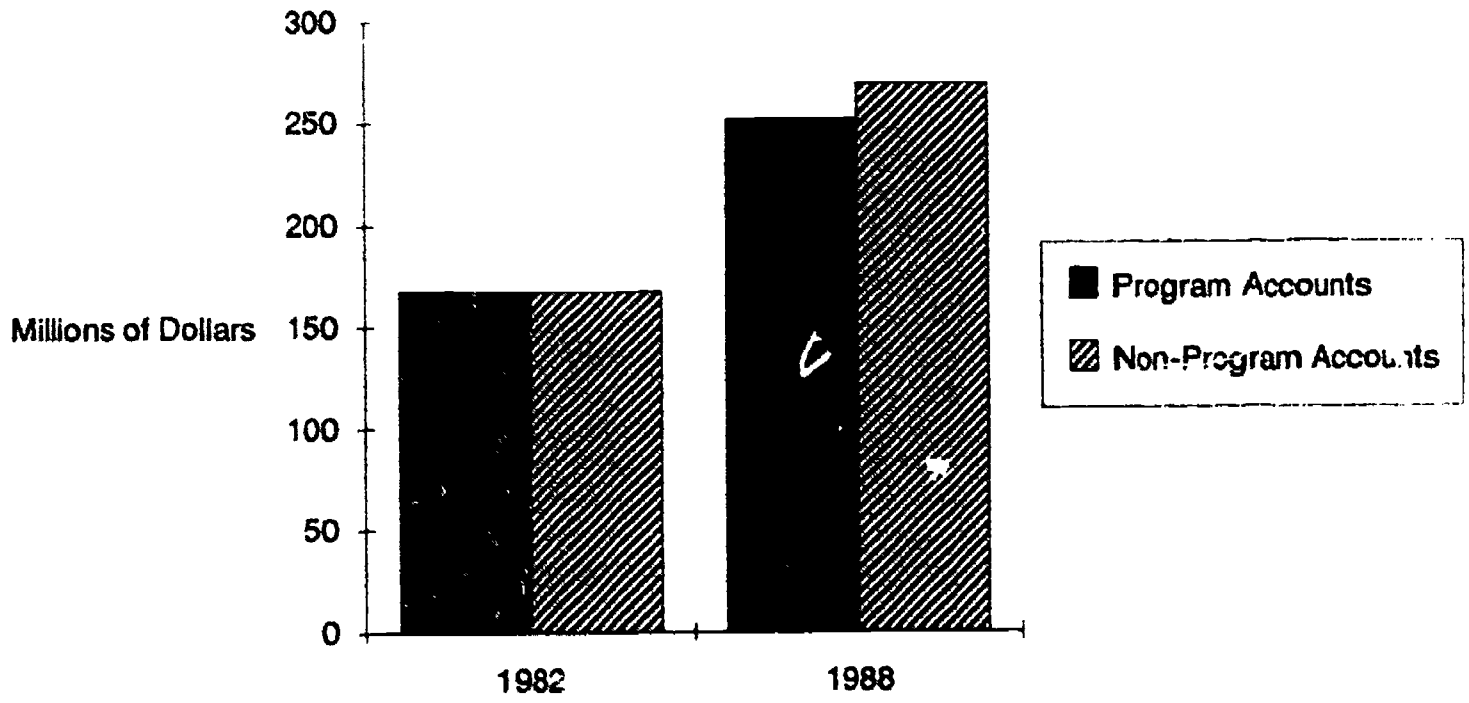
Principals, assistant principals, teachers, specialists, guidance counselors, librarians, secretaries, aides, paraprofessionals, noon supervision, data processing, books, equipment, furniture, consultants, field trips, postage, car allowance, all supplies, materials
and
all exceptional education programs, psychologists, social workers, speech therapists, driver education, evening high school, instrumental music instruction, athletic programs, school safety crossing guards, summer school programs, contracted educational services, transportation for summer school and athletics, and plant improvements.

Program Accounts has 7,334 of the 10,300 total system employees
(excluding bus drivers)

But a most important consideration here is that any instructional increases due to changes in class size, enrollment, or teacher salaries are parts of the third cause for reported budget increases (program enhancements), since class size, enrollment increases and teacher salaries are parts of the program accounts (Figure 3.) The MPS Adopted Budget is divided into five sections: Program Accounts, Educational Operations (central office educational administrators), Business Operations (food, transportation, business administration, etc.), Other Accounts (Fringe Benefits, Contingent Funds) and Non-Operation (construction, recreation and categorical funds). Since program accounts are being given an increasingly smaller share of the budget each year, any increases in some program accounts were paid for by reductions in other areas of the program accounts.

FIGURE 4

Program Enhancements The Major Cause of Budget Increases?



As figure 4 shows, the growth in non-program accounts (61% growth) is greater than the growth in program enhancements (50% growth). Program accounts took a 50% share of the budget in 1982. In 1988, program accounts share of the budget decreased to 48% of total expenditures. (In 1968, program accounts took up 70% of MPS operating costs.[5] In 1978, program accounts had a 55% share of total expenditures.) Obviously these accounts cannot be the main culprit in increasing expenditures.

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[5] To calculate this 70% a switch was made to a percent of the operating costs (total budget minus recreation, categorical funding and construction) rather than a percentage of the total budget as used elsewhere. This choice seemed reasonable due to the fact that there were no categorical funds in 1968 and that 1968's construction budget consumed 11% of the budget that year, six times the usual MPS percent annually spent on construction.

Two other common reasons offered for the increase in the MPS budget are busing and fringe benefits. If fringe benefits are removed from the budget, then non-program accounts show an even larger percentage of growth (66% increase). If busing, which does show a significant jump during these years, is removed from the budget, non-program accounts continue to show a larger percentage increase (53%) than instructional programs (50%) or teacher salaries (33%).

There is obviously a gap between what I have shown MPS spends on instruction and what MPS contends is spent on instruction. I can document that 45% of elementary per-pupil expenditures and that 55% of system-wide expenditures are spent on instruction. MPS claims that 63% of district costs are spent on instruction. The difference may seem like a small percentage difference, but in a $575.7 million budget, even the difference between 55% and 63% represents a $45 million expenditure (approximately the same as the district's total transportation costs).

There is an even larger gap between the figure I will later report as administrative spending ($84 million, 15% of total expenditures, see page 30) and the figures MPS reports as administrative costs, 3.6%, 6.3%, 8, 10.7%, or 13% depending on which MPS report one reads.

What accounts for these differences between what MPS reports as instructional and administrative spending and my calculations, and how can the truth be determined? The answer for these differences can be explained entirely by how one defines instruction and administration. For example, when MPS reports that 63% of expenditures are spent on instruction, it includes the following highly debatable instructional expenses:

> The administrators, supervisors and administrative expenses of eight central office departments -- Curriculum and Instruction, Exception Education, Staff Development, Supportive and Student Services, Vocational, Alternative, and Bilingual Education; the equipping and constructing of the community superintendent's offices, food and hotel rentals, grievance settlements, all of the administrative expenses of the Compact for Educational Opportunity (Chapter 220 overseers), and 60% of consultant fees (including many of Charles Willie's fees, the author of the LEEP Report).

To learn more about MPS definitions we need to examine some of the ways that MPS presents its budget.

THE MPS BUDGET(S)

I will now show side-by-side four of the ways MPS presents its budget followed by my view of MPS spending. I will then do something MPS seldom does--define what is contained in each category. When administration is said to be 3.6%--what is included? When administration is said to be 13% --what is included? We will examine some of the different ways that the MPS budget can be viewed. This will be followed by a thorough definition of what is contained in each category. (See figure 5.)

FIGURE 5

VIEW 1

STATISTICAL PROFILE	87/88
ADMINISTRATION	**13%**
Principals, APs and Secretaries	
Supt., Deputy & Associate Supt.	
Planning, Budget, Research	
& Evaluation, Human Resources	
Intergovernmental Rel.	
Public Info. & Communication	
Community Relations	
Secretary-Business	
Accounting & Auditing	
Information & Purchasing	
Categorical & Recreation Admin.	
INSTRUCTION	**63%**
All classroom teachers	
including Ex. Ed., reading,	
music, art, and phy. ed.	
specialists, program implementors	
aides & paraprofessionals	
All School & Classroom	
supplies, materials, books	
Recreation Programs	
(1/3 of the extension fund)	
Categorical Funds (2/3 of this fund)	
Chapter I & Head Start are	
the 2 largest in this area	
Psychologists, Social Workers	
and Counselors	
All Administrators & Supervisors	
and expenses of the following depts:	
Exceptional Education	
Curriculum & Instruction,	
Bilingual, Alternative,	
and Vocational Education	
Staff Development	
Supportive and Student Services	
Special Funds such as:	
Compact for Ed. Opportunity	
SDA Office Set-Up	
Community Relations	
Grievance Settlements	
Supt's Program Fund	
60% of all Consultant Fees	
TRANSPORTATION	**7.5%**
PLANT OPER. & MAINTENANCE	**9.1%**
FOOD SERVICES	**3.4%**
CONSTRUCTION	**2.5%**
FURNITURE & EQUIPMENT	**1.5%**
	100%

All figures include fringe benefits

VIEW 2

ADOPTED BUDGET	87/88	89/90
ADMINISTRATION (Educ. Oper.)	**3.3%**	**3.2%**
The same as administration		
in the column on the left		
with the following exceptions		
INCLUDE THESE:		
Administrators & supervisors		
of the following Depts.:		
Curriculum & Instruction		
Student & Supportive Services		
Bilingual, Alternative,		
Vocational and Exceptional Ed.		
Staff Development		
REMOVE THESE:		
Secy. Business		
Accounting & Auditing		
Information & Purchasing		
Categorical & Recreation Admin.		
Principals, APs & School Secretaries		
INSTRUCTION (program accts.)	**48.9%**	**46.1%**
Same as instruction in the column		
on the left with these exceptions:		
INCLUDE THESE:		
Furniture & Equipment		
Plant Improvements		
Summer School Transportation		
Transportation for Athletics		
Principals, APs & Secretaries		
REMOVE THESE:		
Recreation & Categorical Funds		
Most Consultant fees		
All Admin., Supervision & Special		
funds listed in column on the left		
BUSINESS OPERATIONS	**20.9%**	**19.4%**
Secy. Bus., Accounting, Food		
Operations, Maintenance		
Transportation, Information		
Purchasing and Auditing		
OTHER ACCOUNTS	**18.2%**	**18.2%**
Benefits, Insurances, Special		
and Contingent Funds & Offsets		
CATEGORICAL FUNDS	**5.7%**	**5.4%**
CONSTRUCTION	**1.2%**	**6.1%**
RECREATION	**1.7%**	**1.6%**
	100%	**100%**

All figures exclude fringe benefits

Figure 5

FIGURE 5

(continued)

VIEW 3

MPS ADOPTED BUDGET p. x

	89/90
ADMINISTRATION	**10.0%**
The same as administration in the Statistical Profile column with these exceptions:	
INCLUDE THESE:	
All Administrators & Supervisors and expenses of the following depts. Curriculum & Instruction, Staff Development, Exceptional Education Bilingual, Alternative, Vocational Education, Supportive and Student Services	
Categorical Administration	
REMOVE THESE:	
Secretary-Business Manager, Accounting, Auditing, Information and Purchasing Departments	
INSTRUCTION	**59.0%**
The same as column one except...	
INCLUDE THESE:	
Furniture & Equipment, Plant Improvements Transportation for Summer School and Athletics	
REMOVE THESE:	
Everything that is added to the Administration column above	
BUSINESS OPERATIONS	**31.0%**
Food, Transportation, Construction, Plant Operations (engineer cleaning staff and utilities), Maintenance, Secy-Business, Accounting, Auditing, Information and Purchasing Depts.	
	100%

All the above figures include fringe benefits

VIEW 4

BUDGET REPORT TO THE STATE

		89/90
ADMINISTRATION		**6.8%**
School Building Administration Principals, APs, secretaries, postage and office supplies	5.4%	
General Administration Supt., Deputy and Associate Supt. School Board, Planning, Student Services, Intergovernmental and 1/2 Service Delivery Area	1.4%	
INSTRUCTION		**55.9%**
Undifferentiated Curriculum Non-Specialist Classroom Teachers, substitutes, consultants, software duplicating, data processing, books general supplies, car allowances equipment, furniture and special funds	29.5%	
Regular Curriculum Specialists for reading, math, art science, music and bilingual ed. Books & supplies for all subjects listed in this category.	13.4%	
Miscellaneous Education Business, home economics, athletics, physical and industrial education and music festival	4.3%	
Special Education Exception education -- learning disabled, emotionally disturbed, etc.	8.7%	
PUPIL AND STAFF SERVICES		**6.9%**
All Administrators & Supervisors and expenses of these depts.: C&I, Bilingual, Alternative, Voc. Ed. Staff Development & Ex. Ed. Supportive and Student Services		
Psychologists, Social Workers Human Relations and Counselors		
Library & Audio Visual Equipment		
BUSINESS ADMINISTRATION		**24.8%**
Administration and expenses of the following departments; Plant Operations, Budget, Accounting, Internal Auditing, Secretary-Business, Purchasing, Duplicating, Mailroom, Transportation Information Systems, Research, Public Information and Communication and half of the Human Resources Department		
RECREATION		**1.6%**
FOOD		**3.3%**
INSURANCES AND JUDGEMENTS		**0.7%**
		100%

Figure 5 continued

According to various MPS documents, administrative spending accounts for either 3.6%,[6] 6.3%,[7] 8.4%,[8] 10.7%,[9] 11.8%,[10] 17.2% [11] of total district expenditures (for a more thorough discussion of the many MPS budget presentations see page 21,"The Third Barrier."). MPS also has as many different figures for instructional spending. It simply depends upon which document one reads. Which is the most accurate figure? To determine this, Figure 5 illustrates four of the ways MPS presents its budget. The reader may then decide which is the most accurate. When MPS contends that 63% of the district's expenditures go for instruction, the reader is cautioned to examine carefully the items included under instruction.

It is important to note that in the following figure, the categories in capital letters are those that are contained in the MPS documents. The smaller print is, for the most part, a product of extensive research which required learning all of the MPS accounting codes.

VIEW #1: (Source: 1987-88 MPS Statistical Profile, compiled by the MPS Research Department. The research department takes its figures directly from the 1988 Comprehensive Annual Financial Report (page 70) compiled by the MPS accounting department.)

This budget presentation (View 1) contains a number of surprising categorizations. The 63% instructional expenses listed in View #1 contain the following questionable instructional items: all of the administrators and the expenses of the following eight central office educational operation departments--Curriculum and Instruction (which includes almost half of the Service Delivery Area administrators), Exceptional Education, Staff Development, Vocational, Alternative,and Bilingual Education, Supportive and Student Services. (See Section V, page 31, for a description of what these administrators do.)

"Instruction" expenses in View 1 also include these expenses listed in the 1989-90 MPS Adopted Budget under Special Funds: the total MPS share of the Compact for Educational Opportunity (the administrators who oversee the Chapter 220 Program, which includes a $5,000 expense for the installation of a sink so that coffee could be made easier); $50,000 Service Delivery Area office set-up for the Community Superintendents; Superintendent's Program Fund (mainly food, hotel rooms, consultants for administrators, and many of the fees that went to Charles Willie, author of the LEEP Report); and all grievance settlements. These same Special Funds are also listed as instruction in View 4.

Also over 60% of consultant fees are included under instruction here. Most of these consultants are never seen by teachers.

Fringe benefits are included.

VIEW #2: (Source: The 1989-90 MPS Adopted Budget, pages xv, xvi,and vi.)

KEY DIFFERENCES: The budget in View #2 is the same as View #1 except that the following items are included under administration: these eight Central Office departments--

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6 1989-90 MPS Adopted Budget, p. xvi.
7 MPS Comprehensive Annual Financial Report, June 1990, p. 7.
8 MPS Financial Statements, April 1990, p. 1.
9 1989-90 MPS Adopted Budget, p. x.
10 MPS Statistical Profile, April 1990, p. 71.
11 MPS Comprehensive Annual Financial Report, June 1990, p. 72.

Curriculum and Instruction, Exceptional Education, Staff Development, Vocational, Alternative, and Bilingual Education, Supportive Services, and Student Services.

And these items are excluded from administration: business operation departments--Secretary-Business, Accounting, Internal Audit, Information Systems, and Purchasing--are removed from administration and moved to Business Operations.

School administration is removed from administration and moved to the program accounts. Categorical and recreation administration is removed from administration and placed in their own category.

Fringe benefits are not included. Benefits for all personnel except for those in food, recreation and most categorical funds are listed under "Other Accounts".

VIEW #3: (Source: The 1989-90 MPS Adopted Budget, p. x.)

KEY DIFFERENCES: The budget in View #3 is the same as View #1 except that the following items are included under administration: the eight Central Office departments--Curriculum and Instruction, Exceptional Education, Staff Development, Vocational, Alternative, and Bilingual Education, Supportive Services, and Student Services.

And that the following items are excluded from administration: Secretary-Business Manager, Accounting, Auditing, Information Systems and Purchasing Departments.

Fringe benefits are included for personnel in each category.

VIEW # 4: (Source: The 1989 Budget Report to the State Superintendent of Public Instruction and the 1989 Comprehensive Annual Financial Report, p. 7.)

KEY DIFFERENCES: The budget in View #4 is the same as View #1 except that the following items are removed from administration: Secretary-Business Manager, Accounting, Auditing, Information Systems and Purchasing Departments, Recreation Administration, Research, Budget, Evaluation, Public Information and Communication and half of the Human Resources Department (hiring and assigning personnel). Also removed from this group of administrators are the eight Central Office departments (Curriculum and Instruction, et cetera) included in Views #2 and 3.

The reader is asked to take note that the total of all regular education classroom teachers', substitutes' and specialists' salaries, including fringe benefits and all classroom books, supplies, equipment and furniture, along with many other expenses are contained in the undifferentiated and regular curriculum categories and amount to only 43% of the total budget.

Fringe benefits are included.

Presented next is an elementary teacher's view of the MPS Budget (see Figure 6). Hopefully it is a more clear, simple and accurate version of the MPS Budget. A formal presentation of this budgetary view would be followed with more exact detail about each category. For example: the category of other regular education staff in the building would be followed with an explanation of who these people are, what they do and their individual cost to a school.

FIGURE 6
THE MILWAUKEE PUBLIC SCHOOLS 1989-90 CLASSROOM EXPENDITURES

If each child brought with them on the first day of school the $6,451 that MPS spends per student, this is where it would go...

		26% CLASSROOM	50% SCHOOL BUILDING	57% PROGRAM ACCOUNTS	88% OPERATING COSTS	100% TOTAL BUDGET
$33,577	Average elementary teacher salary	✓	✓	✓	✓	✓
$10,745	Fringe benefits	✓	✓	✓	✓	✓
$1,904	Supplies, books and furniture	✓	✓	✓	✓	✓
$27,820	Principal, secretary, specialists, aides & counselors		✓	✓	✓	✓
$5,349	Social work, speech & psychologists		✓	✓	✓	✓
$7,497	Extra costs for exceptional education		✓	✓	✓	✓
$4,006	Summer school, music, alternative schools, ESL & science center		✓	✓	✓	✓
$12,129	Extra secondary costs			✓	✓	✓
$16,196	Maintenance & plant operations				✓	✓
$5,843	Food				✓	✓
$13,123	Transportation				✓	✓
$16,879	Non-school administration				✓	✓
$2,627	Contingent, special, insurance & judgements				✓	✓
$9,736	Categorical (minus admin.)					✓
$1,819	Recreation (minus admin.)					✓
$10,792	Construction					✓
$180,043	Total					

SOURCE: Calculations are derived from the MPS 1989-90 Adopted Budget. How these calculations were made are explained in Appendix E.

In each of these four views (and all other published presentations) of the MPS budget, administration is spread out over many deceptive categories. Later in this report, I will put all administration under one roof (see Figure 10.) Spreading out administration over many undefined categories is only one of the barriers that exists to clearly understanding the MPS budget. This barrier and many others will be explained in the next section.

SECTION III
BARRIERS TO UNDERSTANDING MPS SPENDING

"I don't know how I came up with those figures. My job is to make this chart look good--put as much in instruction as possible."
..... MPS Budget Administrator when asked to explain how 59% for instruction was arrived at in an MPS document.

During the past year as I examined the MPS budget, I saw an incredible amount of administrative cost and bureaucratic waste. Yet, as MPS administrators and others examine this same budget, they explain that budget increases are largely due to increased instructional spending.

What follows are various explanations of this difference between what MPS asserts and my analysis. These explanations can also be seen as barriers that exist to gaining a clear understanding of where MPS dollars actually go.

These explanations or barriers can be summarized as follows:

1. MPS seldom defines what it means by administration, business, support or instruction.

2. MPS is very inconsistent with how it categorizes items. In some reports, an item may be listed as administration; in another, the exact same item will be listed as instruction.

3. MPS reports its budget in literally seventeen different ways.

4. MPS tends to lump instructional expenses together in order to obtain a very large instructional figure, while administrative expenses are spread out so administrative costs seem smaller.

5. Growth in spending is then looked at in terms of absolute rather than percentage increases.

The first explanation or barrier to understanding is that MPS rarely defines the contents of "instruction", "support" or "administration" in its reports. This is the most serious obstacle to obtaining a clear view of spending. An example: I was told by three School Board members and five central office officials that the 13% listed as administration in the MPS Statistical Profile contained psychologists, social workers, and the administrators of Curriculum and Instruction among other central office departments (it does not). I am certain most of the officials I spoke with actually believed this. These officials were probably misinformed by someone else. Such misinformation is easily understandable when terms used in budget categories consistently go undefined.

By seldom defining the contents of a figure, MPS can obscure needed information from the public. The best example of this can be seen in the undefined MPS list of per-pupil expenditures in the MPS Statistical Profile. In this document, MPS ranks all of its schools by per-pupil expenditure. With a 131% difference ($3,194 per child) in per-pupil expenditures between the top ($5,624 per pupil) and bottom ($2,430 per pupil) elementary schools, this figure seems like an important factor in determining a quality school for one's child. Yet, the schools with five times more than average planning time, 25% smaller than average class sizes, more supplies, books and aides than average, usually appear to have only average school spending. How is it possible for a school to have significantly higher

than average resources but only average dollars? The answer is due, in part, to MPS inclusion of Exceptional Education costs in the per-pupil expenditures. All top budgeted schools in the Statistical Profile do not have higher than average resources for the majority of its students. They simply have very large and costly Exceptional Education student populations. The schools with significantly better resources, on the other hand, typically have very low Exceptional Education student populations, and hence, appear to have only average resources. The large discrepancy in per-pupil expenditures listed in the MPS Statistical Profile can be accounted for in other ways, from summer school costs to a new roof for the building. The school with the second highest per-pupil figure is attributed to an expense of $1 million for fire damage.

This listed discrepancy is often meaningless for determining how many resources the majority of students in a building receive. A much more accurate figure for comparing school resource levels would be the regular curriculum budgets (see page 8.) The differences in the regular curriculum budgets between various schools are also significant. Some elementary schools have over $2,400 per pupil in this budget while many others have as little as $1,700 per pupil. These figures do not include benefits. Within these regular curriculum budgets are items with much higher impact on student achievement, such as differences in class size, staff-to-pupil ratios, teacher preparation time, art, music, physical education specialists' time, aide time, and extra supplies and books. This is a figure that MPS does not, but should publish, since it gives a much more accurate picture of the impact of expenditures on the education of most of the students within MPS.

THE SECOND BARRIER TO UNDERSTANDING EXPLAINED

The second explanation or barrier to understanding the MPS budget is that MPS switches administrative items contained in one report to instruction in another report. I can see the necessity of doing this on occasion. One such occasion occurs when MPS categorizes expenses in the Adopted Budget. It is done by the department that is responsible for each expense. In contrast, in the Comprehensive Annual Financial Report, items (only on certain pages) are categorized by the Wisconsin Department of Public Instruction Accounting codes. Switching such items would present little problem if it were clear what the switch included. At present, no explanation of the differences between one report and the next is presented.

THE THIRD BARRIER

The third explanation is the number of MPS budget presentations. MPS has a Proposed Budget, an Adopted Budget, and several Revised Budgets. Within the Adopted Budget alone, there are four different budget presentations, each with its own undefined, unique way of looking at administrative and instructional spending. Then there is a Financial Statement presented to the School Board each month with another view of spending. On top of this, there is the MPS Statistical Profile, the Budget Report to the State Superintendent of Public Instruction, and the general school ledger. And finally, there is the MPS Comprehensive Annual Financial Report, which has yet another nine budget presentations. Each of these presentations does not contain different parts of the budget, but the entire identical budget shown in a different way. Each of these ways has its own unspoken definition of administration and instruction. MPS may have valid reasons for doing many of these. However, considering the number of presentations and the lack of definitions, the result is that it is almost impossible without extensive research to tell how MPS truly spends our tax dollars.

THE FOURTH BARRIER

The fourth explanation or barrier listed above can be explained by how budget items are grouped. If everything remotely considered as instruction is put into one category, a very large figure, $317 million, is produced. If this $317 million is then compared with only one small part of total administrative spending, such as District Administration ($6.9 million), administrative spending can be dismissed as inconsequential or reasonable.

If this grouping process is reversed, the picture is quite different. An example: The total salaries of all elementary classroom teachers including kindergarten is $56.9 million. If all administrative spending is lumped together then administrative spending for the same year equals $84 million. Unfortunately, MPS administration has never grouped expenses in the latter form, preferring instead to give the impression of minimal administrative expenses.

THE FIFTH BARRIER

The fifth explanation listed above is that differences between instructional and administrative costs are exaggerated by looking at increases in terms of the absolute amount rather than the percentage of increase. An example can illustrate this. According to the 1989-90 MPS Adopted Budget, Program Accounts (where the vast bulk of instructional spending is categorized) went up from $251 million in 1988, to $261 million in 1989, a $10 million increase. Educational Operations (sometimes considered central administration but actually only one part of central administration) went up from $17 million to $18 million, a $1 million increase. Now the increase in instructional spending is certainly larger, but it represents only a 4% increase. The smaller increase in educational operations is a 6% increase, a 50% higher increase in percentage than instruction.

MORE BARRIERS

Still another way to blur spending is in the choice of what to include in each figure. For instance, when both major local newspapers report teachers' or aides' salaries, benefits are commonly included (aides: $16,000 - teachers: $45,000). When administrators, such as Community Superintendents, have their salaries reported ($71,000) benefits are not included. If this process were reversed it would look like this: aides salaries are $9,000 and the community superintendent's salaries are $93,700. This produces a much greater difference.

The various barriers that exist that hamper understanding may not be intentional, but these barriers are certainly frequent. Here is another one: in the 1990 MPS Statistical Profile, Administrative spending is shown as decreasing from $63 million in 1987-88 to $61 million in 1988-89 (see Figure 5, View #1 for a description of all the administrators left out of these totals). This was an especially confusing statistic for me because in my study of the budget for the past year and a half, I had seen the opposite--administrative spending increases. The MPS Adopted Budget and the MPS Financial Statements showed an increase in almost every administrative area for the same years. (Note that benefits which went up by 12% this year are not included in these figures.) To illustrate, see figure 7.

FIGURE 7

MPS FINANCIAL STATEMENTS

	1987-88	1988-89	1989-90
Pupil Services	$12.7	$13.4	$14.9
Instructional Services	$12.1	$12.2	$13.4
General Administration	$4.0	$3.9	$5.6
School Building Admin.	$20.6	$21.2	$22.9
Business Admin.	$96.1	$88.2	$91.0
Above minus transp., food, etc.	$23.0	$15.5	$8.2
Categorical Administration	$7.7	$9.4	$8.5
Recreation Administration	$5.5	$5.6	$6.2
Central Services	$7.3	$6.8	$3.6
Insurance+Judgements	$2.8	$4.7	$3.7
TOTAL (NO BENEFITS) minus transp. food, insurance, etc.	$95.7	$92.7	$87.0
TOTAL & BENEFITS	**$114.1**	**$107.1**	**$100.8**

I knew that transportation, food, plant operations and maintenance were not included in the administrative totals in the Statistical Profile, but that transportation, etc. were included in the business administration of the Financial Statements. So to make the two figures comparable, I subtracted transportation, food, maintenance and operations from the business administration figures. The remaining business administrative total did indeed contain a substantial administrative spending decrease.

I knew the MPS accounting function codes, so I looked through the Adopted Budget to find the line items that had decreased between the 1987-88 and 1988-89 school years. There were a few decreases but nothing approaching $7 million. I asked the MPS Secretary-Business Office for a printout of the business administration items from the General School Ledger for those two years. Again, I could find no substantial decrease.

I then asked the MPS accounting director if he could explain why a $7 million decrease appeared in the Financial Statements which would account for the $2 million drop in the Statistical Profile but not show up in the Adopted Budget or the School Ledger.

The accounting director explained the difference could be accounted for by a $5 million unbudgeted expenditure for WEPCO lights purchased through the Smart Money Energy Efficiency Program. This was money that was spent by MPS in 1987-88 year which would be refunded to MPS during the next fiscal year.

In other words, no administrative spending decrease actually occurred, only a temporary loan was made from one year to the next. And furthermore, an expenditure for lights should have been listed under either maintenance or capital outlays not administration according to MPS procedures and the Department of Public Instruction accounting codes.

The result, then, is that a $4 million administrative increase (not including the many administrators missing in this presentation, see Figure 5, View #1) appears as an unexplained $2 million decrease.

THE LAST BARRIER

Many MPS school board members have made public and private statements concerning the public's lack of trust in the MPS administration. This lack of trust and the last presented barrier to understanding the MPS budget would be overcome if MPS administration gave an accurate picture of how it intends to spend our tax dollars.

The May 23, 1990 *Milwaukee Journal* Metro Section headline read "Peterkin funnels money to classrooms". John Peterburs, the MPS Secretary-Business Manager, defending cuts made in the recreation maintenance budget, said that this extra money could be used to lower class size and increase the number of art, music and physical education specialists. How Dr. Peterkin presented the MPS budget at the news conference from which this reported headline was derived and from Mr. Peterburs remark at a public hearing (on transcript) about the MPS budget, along with many other statements made at these budget hearings, one is left with the distinct impression that more money will be spent next year on people who will have direct contact with children.

Instead, the reality is that teachers are budgeted in at a 4% increase and the community superintendents have a budgeted 13.6% increase. Other administrative increases include: Public Affairs (Dave Begel) up 7.9%, Deputy Superintendent up 7.9%, Community Relations up 25%, Staff development up 15.9%, and Associate Superintendent up 10.8%.

The MPS instructional program accounts (explained on page 12, Figure 3), minus plant improvements such as energy conservation, are budgeted to go up by 5.9%. Exceptional Education is budgeted for a $9.2 million dollar increase. Of course exceptional education increases are needed and worthy, but if exceptional education is removed from both compared years, the budgeted increase for the vast majority of MPS children in terms of educational programs is 3.9%. This 3.9% is below the rate of inflation.

In the same budget, meanwhile, educational operations (central office educational administrators, see page 17, View #2) are budgeted for a 7.6% increase, business operations (transportation, accounting, etc.) are budgeted for a 6.5% rise and the total MPS operating costs (the entire budget minus recreation, construction and categorical funds) are due to increase by 8.4%.

Of the $41 million increase in operating expenses, less than a quarter ($9 million) is for the elementary and secondary schools' regular curriculum budgets (see page 8, Box 2.) Music, art and physical education specialists are not being increased, as Mr. Peterburs alluded to, but are decreasing by five positions. There are sixteen extra teachers budgeted for lowering class size. In a system with 4,000 classrooms, that translates into only a one pupil decrease for every 10 MPS classrooms. At this rate it would take ten years to decrease all elementary class sizes by one and sixty years to drop them to the current suburban school average.

MPS money is not being "funnelled into the classroom" but is going where it has always gone--into the administration and business functions.

Are these barriers to understanding the budget all accidental? Intention is difficult to prove, but these barriers are extremely typical MPS occurrences.

SECTION IV
WHERE IS THE MONEY GOING?

"Urban teachers often do not have even the basic resources needed for teaching. There are serious shortages of everything from toilet paper to textbooks; teachers have limited access to modern office technologies, including copiers let alone computers."
..... Working in Urban Schools p. xiii

"65% of urban schools had shortages of instructional materials."
..... Institute for Urban Leadership

"... teachers, she said, have run out of paper and are asking businesses to save their computer paper for them, so they can make copies on the other side."
..... Ann Bradley, Education Week, March, 1990

Up to this point, the reader has been shown from various perspectives the relatively small percentage of per-pupil expenditures being spent in the elementary classroom (26%), the elementary school (57%), and system-wide instruction (55%). The reader has also been shown that instructional programs have been decreasing as a percentage of total expenditures and that these same instructional programs have decreased in real dollars while the total MPS budget has consistently increased above the inflation rate.

An appropriate question seems to be, "where is MPS spending its money if not on instruction?"

Before I show the MPS administration budget in detail, I would like to introduce the allocation issue by showing the reader a contrast between some specific administrative excesses of the MPS and the relative poverty of its classrooms (see Figure 8).

"The mission of the MPS is to accomplish the twin goals of excellence and equity for our diverse student population by ensuring that every MPS school will provide each student with a positive attitude toward self and learning, as well as the ability to think creatively and critically, communicate effectively, welcome diversity in people, appreciate the arts, and contribute to society. The MPS will accomplish this goal by developing a professionally empowered staff, effective parent collaborations and community partnerships."
..... MPS Mission Statement

It is difficult to understand how MPS will accomplish these stated goals with its current spending priorities. Are students better served by most central administrators having their own *Milwaukee Journal and Sentinel* subscription or by each elementary student having their own calculator? The students are getting greatly shortchanged. Such expenditures have specific negative implications. One implication pertains to science:

"By the year 2000, U.S. students will rank first among industrialized nations in science and mathematics knowledge."
..... One of the major goals of the National Governors' Association

This goal will be impossible to achieve if MPS continues to spend $0.21 per year per child on all science-related supplies and books.

FIGURE 8

ADMINISTRATIVE EXCESSES

* MPS has budgeted $131,000 for 1989-90 for a photographer, an assistant photographer, and a graphic artist not including supplies and equipment. Last year, I collected various publications MPS distributes to parents and teachers, and the publicity brochures of 12 schools. I found 13 photographs and one graphic art design that could not be generated by an inexpensive computer program. As a photographer, I could have done the same work for $131, including materials and lab work and also received a salary higher than my teacher's salary. There would have been no loss in quality. Does MPS have 1000 times more than the amount of graphics and photographs I was able to locate that can justify spending $131,000?

* MPS has allocated $160,000 for out of town travel expenses mostly for central office administrators. This is a 144% increase since 1978. Have these trips generated any ideas or improvements that anyone can document?

* MPS has allocated $867,000 for consultants. With over 600 administrators in MPS why do they need to consult so frequently? (I've been told by a school board member that this expense is needed because no one trusts MPS decisions.) Is there any way to support such an expense, when one considers this expenditure exceeds the entire school budget of most elementary schools?

* MPS budgeted $31,000 this year for magazines and newspapers for central office administration.

* The value of the furniture and equipment at Central Office is equal to the furniture and equipment of the combined total of 26 elementary schools.

* Money spent for Milwaukee Journal/Sentinel subscriptions for one department, Dave Begel's Public Affairs and Communication, equaled $345. As a teacher, I earn 1/3 of his salary, yet I buy my own newspaper.

* Superintendent's Contract Costs, $65,000. Mostly moving expenses for Dr. Peterkin and Debra McGriff.

* Office set-up for the six Community Superintendents cost $50,000.

* The Compact for Educational Opportunity administrators spent $5,000 for the installation of a sink in a conference room. Rational: It would be too difficult to walk down the hall to get water for coffee making.

* Membership dues and fees for administrators, $47,000.

CLASSROOM POVERTY

* MPS currently spends $100 per elementary school, per year, for science supplies, books, equipment, and furniture. This equals $6.70 per classroom or $0.21 per child, per year for science related materials.

* MPS budgeted $30,174 for computer software for the 107 elementary schools. This $282 per school will purchase approximately 5 program diskettes (on sale) to be shared by 500 students.

* Most teachers spend between $200-$1,000 each year out of their own money to purchase needed supplies and books for their classrooms because MPS allocations for these items are so small.

* The $5 cost per calculator for each elementary student was rejected because of a spending freeze on new instructional proposals.

* Many MPS classrooms share one dictionary per classroom or occasionally per school.

* I had to wait 5 years to get a U.S. and World map for my classroom. While I waited, I had my students crowd around a 14-inch diameter globe when we needed to make a geographic reference.

* Compare the many unreadable mimeographs with which students are asked to struggle with the state-of-the-art publications put out by Central Office.

* I got to spend a total of $200 of school funds in six years of elementary career on classroom supplies or books. I considered myself luckier than most teachers.

* Half of the chalkboards in my classroom had enough bumps and cracks to make reading difficult at times. I never succeeded in four years of requests to get this fixed.

* MPS budgets $65 per elementary child annually for all books, supplies, materials, equipment, and furniture. If divided by the 9 subject areas in the elementary curriculum, this comes to $7.22 per subject, per child, per year, assuming no furniture is needed.

30

As a final contrast, I am presenting a summary table on the elementary school per-pupil per-school supplies and book expenditure. (Figure 9) In the table, the reader can see the total average annual expenditures per school and per child for various supplies by subject area. Science is clearly the lowest, but music is not far behind. Reading is the only subject that may be getting its due. The total supplies and book budget of $65 per pupil when divided by the nine subject areas in the elementary curriculum amounts to $7.22 per subject, per pupil, per year.

FIGURE 9

ELEMENTARY BOOKS AND SUPPLIES
PER SCHOOL AVERAGES

	Supplies & Materials	Books	Equip.& Furniture	Totals per School	Totals per Child
Art	$747	$14	$5	$766	$1.66
Music	$101	$22	$38	$160	$0.35
Science	$37	$42	$16	$96	$0.21
Library	$246	$1,094	$31	$1,371	$2.97
Reading	$2,516	$2,045	$1	$4,562	$9.87
Specialty	$444	$285	$124	$853	$1.85
Health & Phy Ed	$265	$42	$174	$481	$1.04
General & Misc.*	$12,168	$5,841	$3,715	$21,724	$47.02
TOTALS	$16,524	$9,386	$4,103	$30,012	$64.96

* Audio Visual, Home Ec., Indus. Ed., Chalk, Paper, Academically Talented Bilingual, Math, and Social Studies

462 students per school averages
49,407 elementary students
divided by 107 schools

Considering the size of the MPS $575,760,405 total budget, these examples could possibly be dismissed as atypical or relatively insignificant. They are not. Next we will examine the total amount of MPS administrative spending.

ADMINISTRATIVE SPENDING

Administrative spending is not considered a big budget item by MPS officials. For example: at a November, 1989 School Board Budget Committee meeting, a School Board Director asked why the committee studying ways to reduce MPS spending did not even look at the central administration. The answer this board member received was that administrative expenditures were not large enough to warrant the committee's attention.

How is it possible for MPS to consider an $84 million administrative expenditure inconsequential? The answer, I believe, is that very few people know how large it really is. Administration in MPS is spread out over many areas. Within the seventeen different MPS budget portrayals, total administration is never put under one roof. Administrative functions can be found under many different names. These names include District Administration, Support Services, School Administration, Central Services, Business Administration, Special Funds, Staff Services, Instructional Services, Pupil Services, and General Administration, among many others.

Compounding the inconsistency problem is the MPS practice of seldom defining these administrative categories. This lack of definition allows MPS to call some administrators District Administration in one report. A different group of administrators are labeled District Administration in another report. And then in a third document, other administrators are added to this "District Administration" total. This inconsistency takes place despite clear definitions of which administrators should fit into each administrative category compiled by the Department of Public Instruction (DPI) through the Wisconsin Elementary and Secondary Schools Accounting System (WESSAS).

The following is a presentation of the MPS administration spending totals. This chart was compiled using three MPS documents: the MPS Adopted Budgets, the MPS Financial Statements, and the Budget Report to the State Superintendent. Administrative spending was tracked within these documents using the DPI accounting function codes (WESSAS).

Figure 10 contains all of the expenses under the non-instructional (which the state labels as "Support") accounting function codes, between 210000 and 299000, as defined by the Wisconsin Department of Public Instruction with the following exclusions: busing, food, insurances, judgments, plant operations, and maintenance as listed in the MPS Adopted Budgets of the listed years. It is a compilation of everything which can be considered an administrative expense with the noted exceptions.

Figure 10 is presented to show the reader that MPS administrative spending is a substantial expense. I believe this is the only time all administrative functions for MPS have been grouped together.

A close examination of this table yields some noteworthy points:[12]

•The totals of all of the major administrative categories--District, Pupil & Staff Services, Business, Central Services, School, Categorical, Recreation and other administration--include fringe benefits. The subtotals, such as Superintendent and Deputy, Social Work, and Research, do not include fringe benefits.

•The category "administration - other departments" in this table includes the administrative expenses and administrative personnel of the departments of transportation, food, plant operations and maintenance.

•Library and Audio Visual Equipment, which appears in the third box, are not justified as an administrative expense. This is one of the few "support services" that is not justifiably placed under administration.

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[12]Sources: MPS Adopted Budgets, Budget Report to the State Department of Public Instruction, The MPS Financial Statements.

FIGURE 10

TOTAL MPS

ADMINISTRATIVE EXPENSES

	1978-79	1987-88	1988-89	1989-90
DISTRICT	**$3,384,600**		**$5,502,621**	**$6,870,740**
Supt & Deputy	$307,200	$510,000	$669,224	$1,147,400
School Board	$218,800	$916,000	$254,500	$251,000
Intergovernmental	$363,000	$87,000	$184,635	$175,000
Asst. Supt.& Planning	$1,874,600	$2,956,316	$3,209,246	$3,863,340
PUPIL SERVICES	**$8,331,651**	**$15,853,813**	**$17,386,000**	**$19,314,400**
Social Work	$2,037,000	$3,757,000	$4,059,000	$4,180,000
Psychologists	$2,217,000	$3,375,000	$3,480,000	$3,583,000
Guidance	$1,152,000	$3,264,000	$3,890,000	$4,291,000
Direction of Above	$407,000	$786,000	$841,000	$931,000
Pupil Personnel	$852,651	$436,000	$429,000	$961,000
Human Relations		$680,725	$751,000	$744,400
INSTRUCTION SERVICES	**$10,519,011**	**$14,813,000**	**$15,872,000**	**$17,571,000**
Library	$2,151,000	$1,801,000	$2,150,000	$2,228,000
AV. Equipment	$228,011	$413,000	$404,000	$630,000
C & I Supv.	$3,294,000	$5,277,000	$5,388,000	$6,283,000
Exed Supv.	$2,914,000	$2,831,000	$3,070,000	$2,960,000
Staff development		$1,533,000	$1,757,000	$1,941,000
BUSINESS ADMIN.	**$3,406,200**	**$6,054,000**	**$6,453,581**	**$6,804,314**
Secy. Business	$178,900	$366,000	$355,600	$354,000
Budget	$195,800	$295,000	$325,221	$325,300
Accounting & Audit	$913,500	$1,636,000	$1,820,810	$1,861,000
Purchasing	$1,227,000	$1,621,000	$1,734,000	$1,725,000
Duplicating + Mail	$266,000	$1,034,000	$929,000	$1,044,000
CENTRAL SERVICES	**$1,314,300**	**$8,836,000**	**$8,975,800**	**$6,593,000**
Research	$360,300	$619,000	$681,800	$602,000
Public Info.	$256,000	$279,000	$441,000	$494,000
Human Resources	$136,000	$1,798,000	$2,003,000	$1,048,000
Information Systems	$352,000	$4,980,000	$4,660,000	$3,334,000
SCHOOL ADMINISTRATION	**$15,052,000**	**$26,046,878**	**$27,225,223**	**$30,456,000**
Principals & APs	$8,646,107	$13,454,193	$14,372,187	$15,033,499
Secretaries	$4,356,752	$6,472,992	$7,286,233	$7,347,003
Other	$484,715	$729,815	$607,280	$600,698
TOTAL NON-SCHOOL ADMIN	$33,027,862	$64,215,229	$69,615,102	$71,800,454
ADMIN. OTHER DEPTS.	$1,002,100	$2,468,100	$2,794,100	$2,913,000
CATEGORICAL ADMIN.	$3,484,000	$7,685,000	$9,431,000	$8,526,000
RECREATION ADMIN.	$1,586,000	$3,000,000	$3,200,000	$3,203,000
GRAND TOTAL ALL ADMIN	**$48,079,862**	**$90,262,107**	**$96,840,325**	**$102,256,454**

•The inclusion of psychologists, social workers and guidance counselors under administration also seems questionable. Psychologists, social workers and counselors have increased only slightly in number but according to a recent Exceptional Education Task Force, their paperwork has increased by 75%. Therefore, this increase has not led to increased student services. Children had more contact with these people ten years ago than they do today. Most psychologists, social workers and counselors now spend about 65% of their time doing bureaucratic paperwork and attending meetings and only 35% of their time working with students or parents. This use of time is usually not of their own choosing. Many dedicated psychologists, social workers and counselors increase their percentage of time with children by taking an ever increasing amount of paperwork home.

•District Administration includes $900,000 for School Safety (school street crossing guards).

•The total of "questionable administrative" inclusions, i.e., library, psychologists, school safety, etc., is $18 million. Subtracting this $18 million from the total administrative figure of $102 million leaves a total of $84 million that is clearly administrative expenses. This $84 million represents a 15% share of the total MPS budget--more than twice MPS's transportation costs.

•This $84 million does not include the obvious administrative expenses listed under Special Funds such as the administration of the Chapter 220 program ($250,000 MPS's share) and the office set-ups for community superintendents ($50,000). For more information about these special funds see page 17, View #1.

•This $84 million also does not include $536,000 spent on consultants but labeled as an instructional expense. Most of these consultants are not consulting with the school staffs. They are consulting with administrators or school board members.

•This $84 million also does not include the ever-increasing ways the administration finds for dishing out administrative tasks to teachers and aides. Ten years ago, principals did the planning for school-wide programs and special events. Now, a teacher (called a program implementor) handles that job. Each year in many schools, aides do less work with teachers and children and more secretarial work for the school's office. This also takes place with Diagnostic Teachers and Social Work Case Managers. Not that teachers and aides cannot do these jobs just as well and at a smaller price, but when comparisons are made to earlier years this should be a consideration. In other words, even more of the system's energies are devoted now to administrative functions than the budget shows which also means less energy is devoted to instruction and less adult time is spent with children.

•Large, disproportionate increases or decreases in subtotals do not necessarily mean that this "service" was increased or decreased. Occasionally, a large change was due to moving this service to another department. The majority of movement of "services" occurred in the departments of the Superintendent, Deputy, Human Resources, Assistant Superintendent and Curriculum and Instruction.

SUMMARY

This section has attempted to establish that MPS administrative spending is not an insignificant amount. Even when we leave out some of the items that could be considered at least partially an instructional expense, the total is over $84 million or more than fifteen percent of the total MPS budget.

The next logical question seems to be what "services" do citizens, especially children, receive in return for these high administrative expenditures? This question will be the focus of the next section.

SECTION V
WHAT DO ALL OF THESE ADMINISTRATORS DO?

"Work expands so as to fill the time available for its completion."
..... Parkinson's Law

"What exactly do you do?"
..... MPS School Board Member to a group of administrators

MPS has over thirteen hundred workers in administration (this includes secretaries but does not include psychologists or social workers which are grouped with administration in some reports), and the numbers have been growing. The ratio of 5400 teachers (only 4,000 of them in the classroom) to 1,300 administrative personnel is staggering. It says that every four teachers needs an administrator to assist them. On the face of this, such numbers seem inconceivable. To better understand their contribution, we need to ask what all of these administrators do. Listed below are the main administrative titles and a brief review of their responsibilities. The reader may judge the necessity of each category.

Superintendent: ($485,482) responsible for the administration and supervision of the educational and recreational programs of MPS.

Offices of the Community Superintendents: ($3,765,000) The administrative centers of the service delivery areas (SDAs) are charged with providing instructional and administrative leadership to the schools and being responsive to requests from the schools, parents and the community.

Deputy Superintendent: ($460,958) responsible for community relations, curriculum and instruction, exceptional education, supportive and student services, bilingual, alternative, and vocational education, municipal education and staff development.

Intergovernmental Relations: ($227,559) coordinates MPS contacts with governmental agencies. Monitors, analyzes, researches and provides information about governmental activity of interest to MPS.

Assistant Superintendent: ($1,642,000) This category also includes the administrative expenses of the following departments: Community Relations, Planning, and half of the Human Resources Department (hiring and assigning personnel.)

Direction of Psychological Services, Social Work, Guidance and Exceptional Education: ($4,968,023) includes the administrative and supervisory expenses of these departments.

Pupil Personnel: ($824,090) supervises and coordinates the student assignment process.

Curriculum and Instruction: ($4,453,335) provides leadership and support in curriculum development and selection. This includes the costs of the other half of the Service Delivery Areas.

Staff Development: ($1,463,907) responsible for the training programs for all employees.

Bilingual, Alternative, and Vocational Education: ($1,382,366) provides leadership and support to the bilingual and vocational education programs and is responsible for the supervision of alternative, at-risk, summer school programs provided by community-based organizations.

Secretary-Business Manager: ($430,006) responsible for the supervision, management, and conduct of the business department (accounting, food, auditing, information, transportation, operations and maintenance).

Budget: ($415,016) plans and administers the budget.

Accounting: ($2,116,536) organizes and supervises the payroll and other financial records and reports.

Internal Auditing: ($265,124) reviews policies and administrative procedures to determine cost effectiveness and compliance with other policies and procedures.

Purchasing: ($2,257,136) responsible for the buying, warehousing, and distribution of supplies and equipment for the MPS.

Research: ($693,221) conducts research and administers the city-wide testing program.

Public Information and Communication: ($609,595) prepares a public information and communications management plan, manages responses to media inquiries and publishes newsletters.

Human Resources: ($2,147,197) hires, counsels, and assigns personnel. Maintains personnel records and fringe benefit programs.

Information Systems: ($4,921,237) develops systems, maintains programs, produces reports, and provides word processing services for administrative uses.[13]

Next question: Why are all of these administrators necessary?

SECTION VI
WHAT DOES CENTRAL ADMINISTRATION CONTRIBUTE TO THE EFFECTIVENESS OF A CLASSROOM?

"There has been the growing acceptance of the reality that without effective teachers, meaningful educational improvement will not occur. Our business leaders and elected officials can use their influence to issue endless cogent reports and enact countless pieces of enlightened legislation to improve schools; the reality is, however, that unless talented teachers in the classroom perform well, little change of a permanent nature will occur."
..... William S. Woodside, Former Chairman and CEO, Primerica Corporation, September, 1988

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[13] Source: 1989-90 and 1990-91 MPS Analysis of Budget Requests. Dollar totals include fringe benefits.

"Professionals are presumed to know what they are doing and are paid to exercise their judgement.... Bureaucratic management of schools proceed from the view that teachers lack the talent and motivation to think for themselves"
..... A Nation Prepared, Carnegie Forum on Education and the Economy, May, 1986

"The researchers concluded that the most crucial element of those schools in which student achievement was high was the effectiveness of the school's organization, defined as the school's freedom from higher level administrative control."
..... Evans Clinchy, Phi Delta Kappan, December, 1989

The previous section gave a brief job description of most MPS administrators. To someone outside the MPS system, this list of administrators may seem reasonable or justified. But as a teacher who has worked for MPS since 1979, neither I nor any of the teachers I have worked with have any idea what any of these administrators actually do. I had to look up their job descriptions in an MPS document.

Teachers have no experiential basis for determining the functions of administrative departments without reading the Analysis of Budget Requests. Since teachers have little contact with or feel any positive effect from any of these administrators, what effect can they have on children or their learning?

This analysis may imply that I see Central Administrators as an ever-growing blob of useless beings who steal money from our children. During my year of research, I have found the majority to be reasonable, thoughtful people. Their growing numbers and useless function are, for the most part, not of their own making. Their ineffectiveness, however, is a response to an increasing call for more accountability through more paperwork and a larger bureaucracy.

My classroom would function no differently if these administrators were to disappear. I believe a vast majority of teachers would agree with the statement that central administration contributes little or nothing to the effectiveness of their classrooms. Among the hundred or so teachers with whom I have spoken, this is clearly the consensus.

I had intended to do a teacher survey to support or refute this belief. However, it seems that a more substantial and powerful indication of the uselessness of central administration was through MPS's admission of this in their own documents and reports.

What follows, then, are quotes from four MPS reports.

The McKenzie Report[14]

1. The current organizational structure of the central office of MPS has evolved over time into a layered management structure which negatively influences communications, problem solving, and the accessibility of the school district's leaders. (Page 4)

2. Despite the introduction of a School-Based Management pilot program in the schools, principals have too little flexibility and resources to apply in discretionary ways to adopt their educational programs and services to meet the needs and aspirations of the local community served by the school. (Page 6)

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14 "Options for Organizing the Milwaukee Public Schools," The McKenzie Group, August 15, 1988.

3. There appears to be very little flexibility in the principal's ability to modify the curriculum or staffing patterns, or to differentially apply resources. "Guidance", in the form of central office regulations and procedures, appears to significantly limit the prerogatives of the principal. The parents' and community's confidence in the local school leadership is thereby further undermined. (Page 6)

4. Accountability is a problem in this kind of organizational structure. Because of the decision-making processes followed in MPS and the layers of the organization, it is difficult to directly establish accountability for the quality of the services or assistance provided to the schools or to apply sanctions for management and staff performance. (Page 8)

5. The linkages between evaluation and the planning and budgeting functions of the district are weak. (Page 9)

6. There are several instances in the current organizational structure where related functions are spread out in several divisions. The consequences of this are duplication of effort, increased reporting requirements for the schools, and potentially increased costs. (Page 10)

7. The schools are burdened with demands for business and activity reports, student accounting and attendance data, and a variety of other requests for information. With the computer facilities currently available in the district, much of this information could be generated from existing data bases, thereby reducing the burden placed on the schools. (Page 12)

Superintendent's Transitional Report[15]

1. Several studies of the MPS organization have pointed out the fragmentation and isolation of instructional support services and the programs in the central office.

The Administrative Reorganization Study[16]

1. The Curriculum and Instruction Division has many persons, TEACHING SUPERVISORS, who fall in the technical support category. Study findings are that not much support was evident in MPS use of TEACHING SUPERVISORS services.

The Marshall Plan Task Force[17]

1. An impersonal organization and, in many cases, school and class sizes that are too large. (Page 3) General Statement of the Problem (1 of 5.)

2. Any restructuring should result in delegating authority, accountability, and control of resources and educational outcomes to the local school principal and school staff. (Page 17)

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15 "The Superintendent's Transition Report to the Board of School Directors," by Robert S. Peterkin, October 17, 1988.

16 "Administrative Reorganization Study," The Educational Services Institute, February, 1983.

17 "Marshall Plan Task Force Final Report and Recommendations," a broad-based community group which included, among others, four current school board members, three state legislators, and UW-Milwaukee's Dean of Education. November, 1988.

3. The total administrative costs for the regional and central offices should be established below or at current levels. To permit an increase in these combined budgets now or in the future is to fund the perpetuation of a bureaucratic environment. (Page 19)

4. The MPS central administration has become: (a) a rather large inflexible bureaucratic structure that fosters mediocrity. (b) too big and too costly. (c) reactionary, defensive and out of touch with the student population. (Page 24) This problem with central administration was listed as one of the five top problems by most Marshall Plan members.

5. The MPS District should reduce the central administrative staff significantly. (Page 27)

6. To improve the educational effectiveness of MPS, a large portion of the responsibility and authority currently vested in the Central Administration should be transferred to the principals, teachers and school staff and to the newly formed sub-districts. (Page 33)

7. Principals, teachers and school staff should be provided with the authority, flexibility and encouragement to employ a broad spectrum of teaching techniques that they consider to be the most effective in their school setting and be given the fullest possible discretion to allocate the educational funds entrusted to them; in turn, they should be held accountable for and rewarded in proportion to the educational accomplishments of their students. (Page 33)

The quotes from these MPS reports are presented to the reader to show that MPS is aware of many of the problems with its central administration--that it is too big, too costly, inflexible and out-of-touch. And furthermore, that Central Administration offers little or no support to teachers and that lack of accountability is a definite problem.

The quotes from the four reports also show that MPS intends (at least on paper) to move much of the authority, responsibility, accountability, decision-making and resources from central administration to the schools. How well MPS is actually following through on its intentions is the subject of the next section.

SECTION VII
MUST CURRENT SPENDING PRACTICES CONTINUE?

"In at least three of the districts, the primary culprits causing low morale were not school level factors. One teacher said morale was not affected in the classroom with students, but its downtown policies, feelings of hopelessness when I can't control anything and have no say."
..... Working in Urban Schools

"There's no reason for it. It's just our policy."
..... Sign on the desk of the Secretary of the MPS Budget Director

Have any of the above criticisms of MPS changed since the reorganization into six "Service Delivery Areas" (SDAs)? According to some of the School Board members and Community Superintendents, the costly reorganization's purpose was to begin to correct many of the criticisms shown in the reports of the previous section.

MPS says that having a school staff share in important decision-making is a priority. If schools truly are to be charged with making meaningful, responsible decisions about what is needed to increase student achievement, then should not the need for management

outside of the schools be decreased? Yet, the number of administrators outside of the schools continues to increase. And administrative spending continues to be a priority over instructional spending. Instructional Program Accounts (see Figure 3 for an explanation of these accounts) went up in the 1989-90 Adopted Budget by 4%. Educational Operations (central office administrators in charge of educational programs) went up by 6% and by four administrative positions in the same budget.

Administrative spending continues to be approached in a very different way from instructional spending. The difference between the approaches are typified by these two examples.

I asked a school board member the following question: If MPS leaders truly believe in teacher empowerment, the elimination of top-down decision making, and the shift of funds from central administration to the schools, why does administrative spending continue to outpace school spending? I was given this answer: "We are told by experts that if we spend our money this way, it will save us money in the long run."

Instructional spending, on the other hand, is treated with restraint. A school board member proposed that an aide be put in each elementary classroom, in an attempt to lower the pupil-to-staff ratio. This school board member was told that this was an inappropriate proposal--increasing the number of teacher aides in the classroom is part of the bargaining procedure and, therefore, better dealt with during negotiations.

These are not isolated examples. They are typical responses. If teachers want something that will make instruction more effective for children, they must bargain for it, i.e., give up salary or benefits to get it, as if it were a personal good rather than an educational need.

But if administrators want something that will allow them to administer in ways that they regard as more effective, they get it. They are the experts. Teachers are not. This continues to occur even when administration is regarded as having "failed" and the system is being asked to move to a more site-based model.

In the last year there has been a recognition that MPS is overly centralized. Initially a few schools were allowed to experiment with site-based management. MPS's commitment to school-based management, however, seems questionable when the schools have no say over staffing (the teachers' union, MTEA's, fault not MPS's), little control over curriculum and minuscule power over resources. According to the MPS Budget Director and the Accounting Director, school-based management committees are only allowed control (other than inservices) over their school's supplies and book budgets. This supply and book budget (see Figure 9) at the elementary level amounts to $65 per pupil. And out of this $65, a staff must purchase all of a classroom's books, supplies, materials, equipment and furniture. This is more control than teachers previously had. But allowing control over 1% of the budget ($65 out of $6,451 per pupil) does not seem particularly empowering. Considering that most central office administrators can each spend more on Journal/Sentinel subscriptions than a teacher can spend on all of a child's books and supplies, $65 worth of control seems manipulative and insulting rather than empowering.

This past year also saw the explicit decentralization with the creation of six sub-districts called Service Delivery Areas (SDAs). These were established to bring administrators and accountability closer to parents and the schools. Another part of the reorganization plan was the creation of new Instructional Support Teams (ISTs) to analyze schools and provide direct help to teachers and principals. This help was seldom done in the past despite the

large number of Curriculum and Instruction specialists and generalists (51) at Central Administration. Has this new innovation worked? Can it now be said that at least some of the "administrators" are finally having a positive impact on children's learning?

Numerous teachers report that the only thing that has changed with these administrators is that they have new offices. The quality of help teachers now receive and the system's belief in teacher empowerment is shown in this example. A school staff asked in its proposal for the School Equity Fund (another of Dr. Peterkin's publicly stated plans to bring more resources into the schools) for money for developing peer mediation (training students to help solve peer's problems). This proposal came back to the school marked accepted for funding but for peer coaching (training teachers to have a shared vision). When teachers at this school asked if a mistake had been made--the change from student training to teacher training, the teachers were told by their IST that no mistake had been made. The IST told the teachers that the supervisors knew best what this school really needed. This does not sound like the end of top-down decision-making which MPS pretends it wants to eliminate.

The MPS reward system continues to be an outstanding example of the unwritten rule of public education: The less contact one has with children, the greater the status, prestige, and salary one receives.

Following are other responses of teachers regarding their perceptions of how Central Administration/SDAs have helped them become more effective teachers this year:

> "Oh! The SDAs are functioning already?" January, 1990
>
> "The Instructional Support Teams come to my school, ask me what I need to be more effective. I tell them. They smile, then leave. Two weeks later, they come and ask the same question. It's as if I didn't give them the right answer the first time."
>
> "What does my supervisor do to help me? He brings me my children's bus tickets."
>
> "They drink all of our coffee."
>
> "If they weren't around, we would have more money for the kids."

There are other indicators of the effectiveness of the reorganization. A principal of one of the targeted schools for improvement asked the Instructional Support Team to leave his school because they were "bugging" his teachers. I spend a lot of time in various schools, and what I hear is an almost universal contradiction of Dr. Peterkin's statement, "these teams are effective but understaffed."

A reading of the transcripts or attending the meetings of the Community Advisory Councils (CACs) reveal the small effect reorganization has had on the schools. These CAC meetings typically involve endless discussions about trivial matters. One CAC spent two hours discussing the advantages and disadvantages of members wearing name tags. Many

council members have questioned whether these meetings are worth their effort. This is substantiated by the great turn-over in membership (more than half quit during the year in SDA 5).[18]

Probably the most revealing statistic to show the continuing deterioration of MPS working conditions and the lack of help available to teachers despite their massive number of administrators is the significant increase in the number of beginning teachers who quit MPS. Between June of 1989 and June of 1990, 217 teachers resigned from MPS (no retirements, only resignations). Two years ago, 124 teachers resigned from MPS during the same June-to-June period. This is a 75% increase in the number of teacher resignations in only two years. Even worse, the number of teachers who quit before the completion of their first teaching year increased from 15 in 1987-88 to 31 resignations in 1989-90 and teachers who quit before completing five years of teaching increased from 62 in 1987-88 to 130 resignations in 1989-90, a 110% increase in only two years.

Finally, it seems necessary to examine the relatively new MPS superintendent's role in the attempt to bring positive change to a failing urban school system. I have been told that Dr. Peterkin would like to shift more funds from administration to instruction but that he is bound by existing contracts. Also, that since much of the budget is formula driven, the superintendent says he has little control over budget changes. It is also argued that the superintendent needs a bulge in administration for a temporary period in order to put needed changes in place. These explanations sound reasonable, but it also seems reasonable to examine what a person does as well as what he says he will do.

It seems best to look at how the superintendent spends money over which he does have control. There are items in his personal budget, like the increases in travel (800%) and newspapers (420%) that seem excessive (see Figure 2, page 11.) The better indicator, however, is how Dr. Peterkin uses the Superintendent's Program Fund. This fund is defined in the MPS Analysis of the Budget in the following manner: "A total of $100,000 has been allocated for instructional program initiatives generated by school staff. The funds would be allocated at the discretion of the Superintendent." Dr. Peterkin reputedly spends much time in the schools. He has said he wants to talk to, trust, and empower teachers and school staffs. On paper, this fund sounds like a fantastic idea. The Superintendent's Program Fund looks as if it will enable the superintendent to talk to teachers, seek out innovative ideas, then get them started. Perfect.

Consider how the superintendent actually spent the money. The great majority of it went for hotel rooms and food for administrators and consultant fees (part of Dr. Willie's fee for the LEEP plan is in here). An examination of the copies of the account analysis records and payment requests (complete with Dr. Peterkin's signature) indicates that there were some token funds spent on school staffs, but that money spent on schools amounted to less than 10% of this fund for the first 1 1/2 years.

For a superintendent to publicly state that he wants to trust and empower teachers and funnel money into the classroom, but then to spend the money targeted for staff-generated instructional programs on food and hotel rooms for administrators seems especially hypocritical. This type of action can only serve to further the already immense distrust between school staff and central administration.

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[18] The Community Relations Department did not respond to my repeated requests for the number of resignations in the other SDAs.

SECTION VIII
AN ALTERNATIVE BUDGET

"We have many excellent schools in this country. We have no excellent school systems."
..... Colorado Principal

"The caliber of people is the most important thing you have to work with, not the procedures, handbooks, regulations or curriculum guides."
..... Linda Darling-Hammond, Education Leadership

Given the irreconcilable nature of the current system and the flaws in the budgeting process, a very different school system and budget outlays are needed. MPS now spends an incredible proportion of its expenditures on bureaucratic functions.

The major reasons for a school system's bureaucratic structure is to provide equity and accountability. There is presently no accountability and very little equity within MPS.

Evidence of the lack of accountability comes from a recent *Milwaukee Journal* article. In this May 4th article, it stated that no teachers have been fired for incompetence in the past five years, every teacher hired was eventually granted tenure unless they voluntarily quit, and that based on past records only two or three teachers out of two thousand evaluated each year will receive unsatisfactory evaluations.

Along with the lack of personnel accountability, there is questionable fiscal accountability. MPS spends a great deal of money on an internal auditing, a budget and an accounting department, and DPI conducts a state audit. Yet expenses listed under special funds (see page 17, View #1) such as the construction and equipping of the offices of the Community Superintendent are still formally charged as an instructional expense. The expenditures that are intended to produce a clear and accurate picture of MPS spending practices instead produce a complicated, contradictory mess that few (if any) truly understand.

Evidence of the lack of equity comes from examining the differences between schools in per-pupil expenditures. Based on the regular curriculum budgets (see Appendices A and B) divided by the full-time equivalent students, the twenty schools with the highest socio-economic status or SES (measured by 23% to 48% of the students qualifying for free lunch) have an average expenditure of $2,170 per pupil. Whereas, the twenty lowest schools in SES (with between 76% and 91% of the students receiving free lunch) have a per-pupil expenditure of $2,069. This is a difference of $101 per child and approximately $50,000 per school. The average of the all-black schools is even less at $2,020 per pupil. The $150 difference between the all-black schools average per-pupil expenditure and that of the highest twenty schools in SES may seem small, but when multiplied by an average elementary school population of 462 it would generate $70,000 for a school. This $70,000 could purchase two teachers or five aides or more art, music and physical education specialists, all of which could enhance instruction.

If the money spent outside of the schools (i.e., administration) is not having the desired effect, then it is reasonable to ask for these administrative spending priorities to cease. In its place, we need to create a new way to achieve accountability and equity.

Carefully consider the following proposal for redistributing MPS budget allocations:

The Milwaukee Public Schools' 1989-90 Revised Budget was $575 million. MPS has the full-time equivalent of 89,249 pupils. Dividing the budget by the students yields a per-

pupil expenditure of $6,451. Multiplying $6,451 per pupil by 500 students would give $3,225,500 to each elementary school. I will now show merely one example of how $6,451 per pupil or $3,225,500 per school might be spent more effectively.

Letting a school spend $6,451 per child in the building would mean a substantial increase for both the secondary and the elementary school. The increase for the elementary school from $3,659 per pupil would, of course, be larger since their funding is currently so much less than a secondary school which is approximately $4,600 per pupil (differences between secondary and elementary per-pupil expenditures are discussed further on page 5).

Spending $3.2 million per elementary school, $5.1 million per middle school and $9.5 million per high school (more students in secondary schools) is a lot of money. But it would use identical amount of tax dollars that now go to MPS. It would need absolutely no extra funding. The major difference from present spending practices would be that all of the money would be spent by the schools as they saw fit. There would be no bureaucratic structure above the schools. The principal, teachers and other school staff members would have all of the power, and therefore, be held fully accountable for student success.

Letting the staff in a building make significant decisions about school spending, curriculum and staffing is how to empower a staff. This empowerment is how one increases morale, commitment and accountability among teachers. MPS talks about and seems to recognize the importance of empowerment but truly is unwilling or unable to let a school staff make important decisions.

A school, however, needs to be held accountable. To help achieve accountability, the Department of Public Instruction (DPI) could give parents and citizens a clear and simple presentation of student achievement and school spending practices. DPI currently has a budget of $38 million dollars. MPS has one-eighth of the state's students. One-eighth of $38 million should enable DPI to come into our school at least three or four times a year and watch how our students perform, read what they write, listen to them read, ask them questions and talk with parents about how their children are doing. DPI with its current method of accountability, namely lots of paperwork, truly did not have a clue as to what really took place in my classroom for the past ten years. But with a new approach, they really could know.

The elimination of the bureaucratic structure next year or the year after and to give 140 schools all of the money would possibly create a chaotic mess. A more prudent move might be the piloting of such a program in three or four schools. This pilot would prove that completely freed of the constrictions of the teachers' union, central administration and legislative controls, all children could be better educated.

The current public school system was designed to mirror the most successful, organizational model of its time, the factory. Many conditions in MPS promote employees to think more as factory piece-workers rather than as educators. Working for a monolithic bureaucracy does not bring out the best performance in many employees. This model is simply not adapting well to society's current needs.

The following alternative budget (Figure 11) is not presented as the definitive budget but only as an example of one which would change after consultation with a particular school staff.

This alternative MPS budget would need no more money than what is currently spent on education. It is calculated at the identical current MPS per-pupil expenditure rate ($6,451),

but it calls for a dramatic reallocation of dollars and human resources from the bureaucracy to the schools. Teaching rather than administration would be stressed.

Briefly, the major differences in this budget proposal from current elementary school expenditures would be: class sizes of 15, an average of $10,000 raise in compensation per staff person, 5 full-time specialists, 3 full-time support personnel (counselor, psychologist, and social worker), and three times the current dollar amount in supplies and books. Food and building maintenance would not be reduced. Busing would be cut in half and building construction would be doubled.

FIGURE 11

ALTERNATIVE BUDGET PROPOSAL

$6,451 per pupil x 500 pupils
equals a $3,225,500 SCHOOL BUDGET
This would purchase
CLASS SIZES OF 15 STUDENTS for ALL CLASSES
with this
Staff Composition

EDUCATION

Principal	$73,000	above current MPS average
Assistant	$55,000	new position
5 Specialists	$250,000	3 x MPS number & $5,000 pay increase each
3 Support	$174,000	3 x MPS average number
5 Aides	$100,000	33% compensation increase
33 Teachers	$1,569,500	substantial pay increase & 2x MPS number
Books & Supplies	$100,000	3 x MPS average

BUSINESS

Secretary-Business	$50,000	new position
Handyman/Engineer	$57,000	new position
Operations/Repairs	$105,000	MPS current level operations
Food	$81,000	MPS current level
Busing	$124,500	1/2 MPS current level
Construction	$373,500	2 x MPS highest year total
Subtotal Education	$2,321,500	
Subtotal Business	$791,000	
Contingent Fund	$113,000	
GRAND TOTAL	**$3,225,500**	**IDENTICAL MPS LEVEL**

FEATURES:

AVERAGE CLASS SIZE. 15--a reduction of 10 to 13 students per class, to a level recently shown in Tennessee to have significant impact on student achievement, especially with large low-income and minority student populations.

BOOKS, SUPPLIES, EQUIPMENT & FURNITURE: $200 per child is 3 times MPS current level for an elementary school.

SPECIALISTS: 5 full-time specialists. This is 3.5 times the MPS average for a school this size. My recommendation here would be a music, art, physical education, drama, and a combination science & computer specialist.

TEACHERS: Seventeen experienced teachers paid at a compensation rate of $57,500 each. As with the entire staff, this would all be in salary minus social security. It would be up to each employee to arrange for their own health and pension benefits. Teachers with 5 to 15 years of experience would be recruited. For MPS teachers, with this amount of experience and a Master's degree, current salary averages under $30,000 with a total benefit package of $10,000.

Sixteen beginning teachers equally divided between 0-4 years of experience. Compensation $37,000. MPS compensation for this level of experience is a $22,500 salary with $7,500 in benefits. With class sizes of 15, a principal freed of bureaucratic paper work, significantly-increased preparation time, and 3.5 times the specialists of MPS, we could become very involved in peer mentoring and collaboration.

PRINCIPAL: an instructional leader with the ability to support, bring together, and bring out the best performance in every staff person. Little paperwork required.

ASSISTANT: Assist teachers performing whatever tasks are most needed at the time. Possibilities: arrange and coordinate field trips, help with discipline, and work to increase parental involvement.

SUPPORT: A full time counselor, social worker, and psychologist. Ninety percent of their time will be used in contact with children and parents. Minimal paperwork required. Compensation above MPS averages. Hopefully, the big draw with these positions would be the chance to work with people rather than report forms.

SECRETARY-BUSINESS: A combination school secretary, accountant, and business manager. Compensation $50,000. If the school was substantially deregulated, this would not be an impossible position.

AIDES: Classroom aides would not be used as office assistants as many MPS schools now use them. $20,000 per position represents a 33% increase over MPS current levels. This is still too low and would hopefully receive another substantial increase soon.

EXCEPTIONAL EDUCATION: Since this is a one school system, without the MPS' economy of scale, one type of exceptional education student would be requested. This would be both cost efficient and allow the school to bring more resources to help this particular type of exceptional education student. Emotionally Disturbed students seem to be MPS' most problematic and of average exceptional education cost. I would take 10% of my students in this area, which is above MPS level of 7.8% (MPS claims 10% but included in that 10% are over 2000 students in need of speech therapy about 2 hours per week). Class size would be the same as with regular education (15 per class), but mainstreaming would be more frequent and successful with regular class sizes so low. With all of the additional support in the building, this would be possible and effective.

HANDYMAN/ENGINEER: Compensation $57,000, 39% above MPS level. A multi-talented person, skilled in many crafts, would be recruited for this position. A non-union position (as is the entire school), this person would handle the bulk of the building operations and repairs.

OPERATIONS/REPAIRS: Operations (engineer, cleaning, utilities) are calculated at the identical current MPS rate. Repairs are reduced to $40,000 per year, half the current MPS cost. The MPS school maintenance budget for 1989-90 was $20.4 million (another $3 million was expended for the maintenance of MPS recreation areas). If the $2 million for supplies and equipment are removed, this would leave $18.4 million for labor costs. Given the identical MPS salary and benefit level, this $18.4 million would purchase 2 1/2 craftsmen per elementary school and five craftsmen per secondary school working eight hours each day, five days per week in each MPS school. In theory, having one's own craftsmen seems like a cost-effective idea. Considering the age of most MPS buildings, the number of craftsmen may not seem excessive. However, ask any teacher if this many craftsmen are seen in their buildings.

TRANSPORTATION: Calculated at half the current MPS rate. State Representative Annette Williams claims that 50% of the busing costs would be eliminated if busing were done only for the purpose of integration. The MPS response to this is that they do not have enough buildings in the inner city to bus only for integration. Saving $21 million a year (one half of the transportation costs) would fund the building of 3 or 4 buildings per year, but state statutes prevent this amount from being spent on construction without a referendum.

CONSTRUCTION: Since a larger-than-average building for a 500 student school (because of significantly smaller number of students per class) would be needed, the MPS construction expenditures would be doubled. Also to reduce busing costs, more schools need to be built where the students live.

On top of all of this lavish spending, this school would be left with a contingent fund of $113,000. Maybe we would use this extra money to hire another experienced teacher to work with our beginning teachers or give teachers time off to do research that the school needs. There may well be some unforeseen expense that I did not consider for which we would need this money.

This school would have a ratio of one employee to every ten students. Forty-six of fifty-two employees would spend the majority of their time in contact with children. MPS, on the other hand, currently has one employee to every nine students. (90,806 students, not a full-time equivalent, 10,300 employees with approximately 6,600 of them spending the majority of their time with children). The significant difference between this alternative budget and MPS would be that almost all of our employees would be spending the majority of their time with children.

Today's children, now more than ever, need more contact in smaller groups with caring adults. They do not need more people doing paperwork about them, or more people attending meetings about them, or more people watching those who teach them.

If costly bureaucratic structures were removed from a school system, it may not eliminate all bad schools, but it would dramatically increase the number of excellent schools.

CONCLUSION

"Qualities of good schools are simply very, very unlikely to develop in a bureaucratic setting."
..... John E. Chubb and Terry M. Moe quoted in Education Week, June 6, 1990

I have presented many specific numbers that support the belief that the Milwaukee Public Schools do not wisely spend our tax dollars. I have shown specifically that a surprisingly small and shrinking portion of the MPS budget is spent directly on instruction, especially in the elementary schools. I have shown that MPS spends an absurd amount of money on administration and that a good percentage of this administrative spending has little, if any, positive impact on student achievement.

The research of Marc Tucker of the Carnegie Foundation puts an ironic twist to this bureaucratic overspending. Mr. Tucker stated in a recent Public Broadcasting System show, "Crisis in Urban Education," that in his research on effective schools he found that there was always a maverick principal or teacher instrumental in each effective school's success. This maverick educator was typified as one who had no loyalty to the school system, but found a way to circumvent the system's bureaucratic structure in order to bring success to his school.

This research is substantiated by the recent findings of the Brookings Institution's John Chubb. According to Dr. Chubb's study, the single-greatest predictor of school effectiveness is the autonomy that schools have from external, bureaucratic control.

We have, in effect, a ridiculous paradox. A school system spends an enormous amount of money on its bureaucratic structure. Yet, the only way for one to successfully educate children is to ignore or find a way around this system.

The intention of this report is not to show that we spend too much money on education but simply that we spend what we have badly. Actually, I believe we could use more money in education. Many urban children come to school with more serious unmet needs than they did ten or twenty years ago. The effects of a quality education on every facet of one's life can be enormous. A quality education is the most common avenue to a better life and/or a better job.

But before education is funded better, educators need to convince the general public that it can spend our dollars well. I am convinced from numerous conversations with school board members and high administration officials and from closely looking at how MPS really spends our tax dollars that increasing school expenditures, at present, would only fund more layers of bureaucracy and would only fill the needs of administrators rather than the needs of children.

The general public believes the same. The results of a September 10, 1989 Lou Harris Poll stated that the public by a 87-10 percent majority would be willing to "pay more for quality education (but) must then also get tangible returns on their investment." This same poll also revealed that the American people by an 88-8 percent margin also believed that "ways should be found to reallocate education money from administration to instruction of students."

For schools to show tangible results money needs to go into the schools, not into bureaucratic structures. The schools could then be reasonably held accountable. We would then have no one to blame but ourselves. At present, everyone has plenty of others to blame.

APPENDIX A

BUDGET FOR AN ELEMENTARY SCHOOL WITH A HIGH RESOURCE/SOCIO-ECONOMIC CLASSIFICATION

SALARIES
INSTRUCTION AND SUPPORT TOTAL $750,637

Principal, $56,628; 3 kindergarten teachers, $99,390; 10 teachers, $335,000; 2 speciality teachers, $75,274; 3 art, music, physical education teachers, $98,387; 2.37 aides, $27,580 reading teacher, $37,220; secretary, $15,978; 1/2 office assistant, $5,150; 23.87 Positions.

UNCLASSIFIED SALARIES TOTAL $32,745
Substitute teachers, $20,900; noon supervision, $10,200; secretary substitute, $1,000; teacher - hourly payments, $190; teacher orientation, $450.

PURCHASED SERVICES TOTAL $7,805
Contracted equipment maintenance, $500; specialty field trips, $600; car allowance, $817; postage, $388; general service, $200; duplicating, $1,500; data processing, $1,500; other expenses - specialty, $2,000.

PREPARED MATERIALS TOTAL $675
Art, home economics, industrial education, music, health, physical education, science, library, reading, audio visual, specialty, $500.

EDUCATIONAL SUPPLIES TOTAL $11,221
Art, $332; General school, $9,737; reading, $52; specialty, $1,000.

TEXTBOOKS TOTAL $6,266

NON-TEXTBOOKS TOTAL $1,574
General, $1,349; Reading, $25; Specialty, $200.

OTHER SUPPLIES TOTAL $1,884
Software, Magazines and newspapers, Office.

REPLACEMENT EQUIPMENT TOTAL $900

ADDITIONAL EQUIPMENT TOTAL $2,300
Audio Visual, $900; Specialty, $1,400.

(Note: $7,600 was reportedly subtracted for "salary savings turnovers.")

TOTAL REGULAR CURRICULUM: $808,407

$808,407 divided by the 342 regular education, full-time equivalent pupils, equals a $2,364 per-pupil expenditure. Increasing the $2,364 per pupil by 30% to account for fringe benefits equals a $3,073 per-pupil expenditure.

APPENDIX B

BUDGET FOR AN ELEMENTARY SCHOOL WITH A LOW RESOURCE/SOCIO-ECONOMIC CLASSIFICATION

SALARIES
INSTRUCTION AND SUPPORT TOTAL $814,495

Principal, $56,628; 2 1/2 kindergarten teachers, $82,825; 15 teachers, $502,545; 1 reading teacher, $37,220; 1 1/2 specialists (art, music, phy. ed. teachers), $49,194; 2 secretaries, $33,431; 1/2 office assistant, $5,150; 2.5 aides, $29,093.
26 Positions.

UNCLASSIFIED SALARIES TOTAL $34,190

Substitute teachers, $22,000; noon supervision, $10,200; secretary substitute, $1,340; teacher - hourly payments, $200; teacher orientation, $450.

PURCHASED SERVICES TOTAL $3,034

car allowance, $817; postage, $517; general service, $200; data processing, $1,500.

PREPARED MATERIALS TOTAL $5,009

Art, home economics, industrial education, music, health, physical education, science, library, reading, audio visual.

EDUCATIONAL SUPPLIES TOTAL $10,779

Art, $743; General school, $9,336; reading, $320; Library, $291.

TEXTBOOKS TOTAL $1,028

NON-TEXTBOOKS TOTAL $6,883

General, $6,438; Library, $445.

OTHER SUPPLIES TOTAL $2,853
Software; Magazines and newspapers; Office.

REPLACEMENT EQUIPMENT TOTAL $1,085

ADDITIONAL EQUIPMENT TOTAL $1,100
Audio Visual

(Note: $8,000 was reportedly subtracted for "salary savings turnover.")

TOTAL REGULAR CURRICULUM: $872,456

$872,456 divided by the 498 regular education, full-time equivalent pupils, equals a $1,752 per-pupil expenditure. Increasing the $1,752 per-pupil expenditure by 31% to account for fringe benefits equals a $2,295 per-pupil expenditure.

APPENDIX C

MPS STUDENTS 1989-90

1989-90 TOTAL	**97,085**
preschool (3&4 yr olds)	4,857
kindergarten	7,983
elementary	43,825
middle	15,450
high school	24,970
Chapter 220 to suburbs	**5,036**
1-5 elem.	1,937
k4	140
k5	331
MS	1,087
HS	1,543
Kindergarteners 1/2 day	**9,700**
Exceptional education	**7,522**
speech & lang.	602
MS	1,325
HS	1,840
ELEM	4,357

ELEMENTARY TOTALS	49,407	-1/2 DAY KINDER. & 220
	45,050	-EXED
MIDDLE SCHOOL TOTALS	14,363	-220
	13,038	-EXED
HIGH SCHOOL TOTALS	23,427	-220
	21,587	-EXED

REGULAR EDUCATION		462 Elem. FTE average
minus 220	79,675	
TOTAL FULL-TIME EQUIVALENT		421 Elem. FTE reg. ed.
minus 220 & half of the 1/2 day kindergarteners	87,199	school average

FULL-TIME EQUIVALENT WITH OFFSET BUSING COSTS	**89,249**	**PER PUPIL COSTS $6,451**

APPENDIX D

1968-69 MPS BUDGET

	ELEMENTARY	SECONDARY	TOTAL
Teachers	$19,277,596	$18,340,137	$41,661,501
Principals	$2,066,520	$1,188,810	$3,255,330
Others in School		$360,725	$360,725
Materials	$926,000	$1,102,000	$2,028,000
Psychologists			$353,700
Social Work			$557,300
Exceptional Education			$4,043,768
Clerical	$708,900	$1,136,076	$1,844,976
Athletic & Summer School			$1,156,000
PROGRAM ACCOUNT TOTAL			**$55,261,300**

	SALARIES	OTHER	TOTAL
School Board	$9,000	$99,000	$108,000
Supterintendent	$467,700	$83,000	$550,700
Curriculum & Instruction	$1,111,200	$147,500	$1,258,700
Instructional Resources	$255,600	$16,400	$272,000
Exceptional Ed. Supv.	$203,700	$7,100	$210,800
Community Relation	$75,000	$44,800	$119,800
Personnel/Psych	$128,700	$16,100	$144,800
Pupil Personnel	$167,500	$8,200	$175,700
Psych Serv	$99,000	$5,500	$104,500
Secretary-Business	$179,000	$12,000	$191,000
Accounting	$168,500	$206,000	$374,500
Purchasing	$3.5,700	$31,400	$348,100
Repair Supv	$129,700	$11,300	$141,000
Operation Supv	$71,000	$3,000	$74,000
NON-SCHOOL ADMINISTRATION	**$3,449,946**	**$691,300**	**$4,141,246**
ALL ADMINISTRATION			**$9,241,552**

PLANT OPERATION	$6,356,000
REPAIR	$3,644,000
TRANSPORTATION	$987,600
FRINGE BENFITS	$2,568,000
FOOD	$4,050,000
CAPITOL OUTLAY	$1,175,700
CONTINGENT & SPECIAL	$300,000
TOTAL SCHOOL OPERATION	$78,483,846
Recreation	$3,117,000
Construction	$10,144,500
TOTAL BUDGET	**$91,745,346**

	1968	1989
PROGRAM PERCENT OF BUDGET	60%	45%
PROGRAM PERCENT OF OPERATING COSTS	70%	53%
TEACHER SALARY-PERCENT OF BUDGET	45%	32%
TCHR SAL PERCENT OF OPERATING COSTS	53%	38%
ALL ADMIN. - PERCENT OF BUDGET	10%	15%
NON-SCHL ADMIN PERCENT OF OPER. COST	5%	11%

APPENDIX E
(Calculations Used In Figure 6)

CLASSROOM EXPENDITURES

Average Elementary Teacher: $51,172,000 is divided by the 1524 teachers listed in the Adopted Budget under 1989-90 elementary teacher.

Fringe Benefits: The accounting and budget departments use 32% of salary to approximate benefits paid to all employees. This 32% is added to the salaries of all other categories of employees in this appendix.

Supplies, Books, Furniture and Equipment: The expenditures listed for these items in the Adopted Budget were divided by the total elementary pupils.

All other regular education staff: The classroom teacher's compensation, books and supplies were subtracted from an average school's regular education expenditures (See page 8.)

Extra costs for exceptional education: The regular education costs for educating all exceptional students ($15.9 million) were subtracted from the total exceptional education expenses ($39.8), then divided by all MPS students, and finally divided by the average elementary class size.

Speech, Social Work and Psychologists: Totals of this category were divided by all MPS students, then multiplied by the average elementary class size.

Other: Expenditures for summer school, instrumental music, alternative schools, school safety, English as second language and science center were totaled, divided by all MPS students, and then multiplied by the average elementary class size.

Paid to secondary schools to offset the higher costs there: Program accounts and benefits were divided by all MPS students, and then multiplied by the average class size. Subtracted from this total were all of the preceding per-classroom expenditures listed on this page.

Plant Maintenance and Operations: The totals from the state budget report were divided by all MPS students, then multiplied by the average class size.

Transportation: This was calculated the same as the maintenance and operations figure.

Non-school Administration: The non-school administration total minus psychologists, school safety, etc., page 30, was divided by all students, and then multiplied by the average class size.

Recreation and Categorical Funds: Administrative expenses were subtracted from these categories. The remainder was divided by all MPS students, then divided by the average class size.

Food, Construction, Insurances, Contingent and Special Funds: The totals were calculated by dividing the expenditures of each of these categories listed in the Adopted Budget by all of the students, and then multiplying by the average class size.

ABOUT THE INSTITUTE

The Wisconsin Policy Research Institute is a not-for-profit institute established to study public policy issues affecting the state of Wisconsin.

Under the new federalism, government policy increasingly is made at the state and local level. These public policy decisions affect the lives of every citizen in the state of Wisconsin. Our goal is to provide nonpartisan research on key issues that affect citizens living in Wisconsin so that their elected representatives are able to make informed decisions to improve the quality of life and future of the State.

Our major priority is to improve the accountability of Wisconsin's government. State and local government must be responsive to the citizens of Wisconsin in terms of the programs they devise and the tax money they spend. Accountability should be made available in every major area to which Wisconsin devotes the public's funds.

The agenda for the Institute's activities will direct attention and resources to study the following issues: education; welfare and social services; criminal justice; taxes and spending; and economic development.

We believe that the views of the citizens of Wisconsin should guide the decisions of government officials. To help accomplish this, we will conduct semi-annual public opinion polls that are structured to enable the citizens of Wisconsin to inform government officials about how they view major statewide issues. These polls will be disseminated through the media and be made available to the general public and to the legislative and executive branches of State government. It is essential that elected officials remember that all the programs established and all the money spent comes from the citizens of the State of Wisconsin and is made available through their taxes. Public policy should reflect the real needs and concerns of all the citizens of Wisconsin and not those of specific special interest groups.