
Half of Choice Schools Spend Less than State Allots

Joe Williams

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Nearly half of the schools participating in Milwaukee's private school choice program had to return money to the state last year—in two cases, more than \$100,000 each—because, hard as they tried, they couldn't spend the \$4,894 they were given to educate each of their choice students, records show.

As Milwaukee Public Schools officials prepare to approve a budget for 2000–2001 that comes to about \$9,500 per student, audits of schools in the choice program show they are struggling to spend just half of what is spent by their public counterparts.

“We don't have to pay for a huge administration and a lot of red tape,” said Lois Maczuzak, an administrator at St. John Kanty School, 2840 S. 10th St., which spent \$3,096 to educate each student, making it the lowest-cost school in the choice program.

Under the program, which lets low-income students attend private and religious schools at taxpayer expense, students in 1998–99 received vouchers worth either \$4,894 or the choice school's cost to educate each pupil, whichever was less. This year, the vouchers are worth slightly more than \$5,000.

MPS' per-pupil costs tend to be higher than those of most private schools due to the expense of services to special-needs students, transportation (including busing for some private-school students), and costly benefits packages for MPS employees.

According to audits filed with the state Department of Public Instruction, 39 of 82 schools that had choice students last school year spent less than \$4,894, resulting in return payments of nearly \$1.2 million to the state.

In St. John Kanty's case, the school paid \$93,047 back to the state because of its low cost.

Many private schools in the city for years have survived by keeping costs as low as possible, in turn keeping tuition affordable for students' families.

"Our teachers sacrifice a whole lot in terms of their salaries," Maczuzak said. "I can't compete with MPS in payroll. Our teachers bring in a lot of materials on their own, and that helps to keep costs down as well."

At St. John Kanty, parents volunteer to supervise recess, lunch hour, and field trips, eliminating the need for paid employees to do such non-teaching work. While the Archdiocese of Milwaukee provides some help in administering programs, the school is largely left to its own devices, Maczuzak said.

"At the Catholic schools, the buck stops here," Maczuzak said. "We don't have the costs that come with a lot of red tape, but we also are the ones who are responsible for what happens in our schools."

Much of the difference between the city's public and private schools comes down to salaries and benefits. A recent University of Wisconsin–Milwaukee study showed that salaries in the city's private schools tend to be about half those paid to local public-school teachers.

Richard Gottschalk, administrator at Oklahoma Avenue Lutheran School, 5335 W. Oklahoma Ave., has been a private-school educator for 33 years—including 21 years as an administrator—and still hasn't hit the \$40,000-per-year salary mark. The average salary for an MPS teacher is more than \$42,000.

"Our starting salaries are \$18,000," Gottschalk said.

Oklahoma Avenue spent \$3,725 per pupil, but only 25% of the school's students come through the choice program.

The problem for schools such as Oklahoma Avenue is that if they raise costs to the amount covered by the vouchers, they end up having to raise tuition for non-choice students.

"We are committed to the mission of the school and to keeping the tuition affordable," Gottschalk said. "If we raised the pupil costs so that our salaries were in line with the public school, 75% of the students would have to pay higher tuition."

Gottschalk said per-pupil costs for this year will be even less than \$3,725 because the 1998–99 cost included one-time infrastructure expenses.

The local group Partners Advancing Values in Education has begun working with private schools to find ways to increase teacher salaries using money from the choice program. But the fewer students a school

has in the choice program, the harder it is to spend more money without raising tuition.

“I was just talking with a group of Catholic-school principals, and they are all wondering how they can increase teacher salaries without raising tuition for the non-choice students,” said Dan McKinley, PAVE’s executive director. “It’s an interesting situation.”

While public schools in Wisconsin have their budgets capped by state-imposed revenue limits, private schools’ spending tends to be capped by market forces. If tuition becomes too high, private schools hurt their own ability to compete for student customers.

Thirteen schools in the choice program didn’t break the \$4,000 mark per student. Two schools had to pay back more than \$100,000 because their expenses were so low: Catholic East Elementary (\$107,852) and St. Anthony’s School (\$123,807).

DPI officials said all of the money has been paid back. Under the program, choice schools get payments during the school year equal to the \$4,894 maximum value of each voucher, then reconcile the accounts in the summer, after financial reports and audits are completed. It is impossible to determine a school’s annual cost per student until the school year is over.

Some private schools spent considerably more per student than the maximum value of the vouchers, but no additional tuition can be charged to choice students. Milwaukee Montessori School spent \$10,933 per student, the most in the program.

About 8,000 students are participating this year in Milwaukee’s choice program.