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Details:

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2009-10**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on ... Education (SC-Ed)**

**COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Gigi Godwin (LRB) (August/2011)



## **Review of Operations of the Department of Human Resources of the Milwaukee Public Schools**

Summer 2009

Urban school districts are under enormous pressure to raise student achievement and improve the effectiveness and efficiencies of their business operations. The Council of the Great City Schools, an organization representing 67 of our nation's largest urban school districts, is addressing these challenges by conducting instructional reviews and management and operational studies of its member urban school districts.

The Council has conducted some 180 reviews of its member urban school systems over the last ten years in areas ranging from organizational structure to curriculum and instruction, finance systems to transportation, and food services to personnel operations. (A list of reviews conducted by the organization is shown in Appendix D.) The reports generated by these reviews have often been critical, but have been the basis for reform and improvement in many urban school systems. In other cases, the reports are positive and help identify "best practices" that other school systems can replicate.

In late 2008, William Andrekopoulos, Superintendent of the Milwaukee Public School District, requested that the Council conduct a high-level review of the district's Department of Human Resources. Specifically, he requested that the Council--

- Evaluate the organization, leadership, management, and operations of the school district's Department of Human Resources.
- Make recommendations that could improve the operational effectiveness and efficiency of the Department of Human Resources in supporting the district's strategic mission.

### **Review Methodology**

In response to this request, the Council of the Great City Schools used two assessment methods—a Peer Review, using one of the organization's Strategic Support Teams, and a Self-Assessment.

#### **✦ Peer Review**

The first method involved a Strategic Support Team of six senior managers with extensive experience in human resource management and operations in other major urban school systems across the country. The team included the following members. (See Attachment A for brief biographical sketches of team members.)

**Strategic Support Team (SST) Members**

Cordell Carter  
Special Assistant for Operations  
Seattle Public Schools

Dan Cochran (Principal Investigator)  
Associate Superintendent, Human Resources (Retired)  
School District of Broward County

Brent Jones  
Executive Director for Human Resources  
Seattle Public Schools

Edward Raymond  
Assistant Superintendent of Human Resources  
Wichita Public Schools

Katrina Robertson Reed  
Chief Human Resources Officer (Retired)  
Dallas Independent School District

Sue Wybraniec  
Executive Director of Human Resources  
Tucson Unified School District

**Council Staff**

Robert Carlson  
Director of Management Services  
Council of the Great City Schools

As part of this review, the Strategic Support Team examined documents provided by district staff before visiting the Milwaukee Public Schools. The team also reviewed additional documents, reports, and data during its site visit. (A complete list of documents reviewed by the team is presented in Attachment B.)

Fieldwork for the peer review was conducted during a four day site visit to Milwaukee on March 22-25, 2009. The overall schedule for the site visit is outlined below.

Sunday, March 22, 2009	Pre-engagement meeting
Monday, March 23, 2009	Interviews and observations,
Tuesday, March 24, 2009	Interviews, observations, and site visits
Wednesday, March 25, 2009	Processing and exit interview

## **Review of Human Resource Operations in the Milwaukee Public Schools**

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The review began with a pre-engagement meeting with Superintendent William Andrekopoulos and his assistant, Victor Brazil, to clarify the nature of the visit, understand their expectations and objectives for the review, and to make any last-minute adjustments to the working agenda. The first two days of the site visit were devoted to interviews with Human Resources leaders and staff and with district-level leaders, department heads, and school principals. (A list of individuals or groups interviewed is presented in Attachment C).<sup>1</sup> The team also visited Human Resources offices and staff work stations. The final day of the site visit was devoted to synthesizing the team's findings and formulating recommendations, and to debriefing the Superintendent.

### **↳ Self Assessment of Best Practices**

The Council also used a survey that was adapted from an instrument developed by the Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) and the state's Auditor General for the purpose of conducting performance reviews of school districts in the state.<sup>2</sup> The Strategic Support Team used the survey to evaluate how the organization, leadership, management, and operations of the Milwaukee Public Schools' Department of Human Resources compared with national best practices based on an extensive literature review and interviews with human resources experts, professional organizations, and educators across the country.

The survey measured 18 standards and 174 indicators of best practices in five functional HR areas—

- Staff Development (3 Standards and 39 Practices)
- Recruitment, Hiring Salary and Benefits (3 Standards and 46 Practices)
- Personnel Evaluation (2 Standards and 23 Practices)
- Absenteeism and Personnel Records Management (2 Standards and 13 Practices)
- Human Resources Management (8 Standards and 44 Practices)

The Council sent a draft copy of this document to each of the team members for their review in order to ensure the accuracy of the report and to obtain their concurrence with the final recommendations. This management letter contains the findings from both the Peer Review and the Self Assessment. It also contains recommendations designed by the team to improve operational efficiencies and effectiveness of the department.

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<sup>1</sup> The Council's peer reviews are based on interviews of staff and others, a review of documents provided by the district, observations of operations, and professional judgment. The teams conducting the interviews rely on the willingness of those interviewed to be truthful and forthcoming, and make every effort to provide an objective assessment of district functions but cannot always judge the accuracy of statements made by all interviewees.

<sup>2</sup> The instrument, which was used by the state of Florida in its assessment of the human resources operations in 30 school districts, was endorsed by the Council's Chief Human Resources as an acceptable tool to measure the performance of Human Resources Departments at their 2004 annual meeting.

**District Overview**

The Milwaukee Public Schools operates within the City of Milwaukee, Wisconsin. The city has a population of approximately 603,000 and is located 70 miles north of Chicago on the western shores of Lake Michigan.

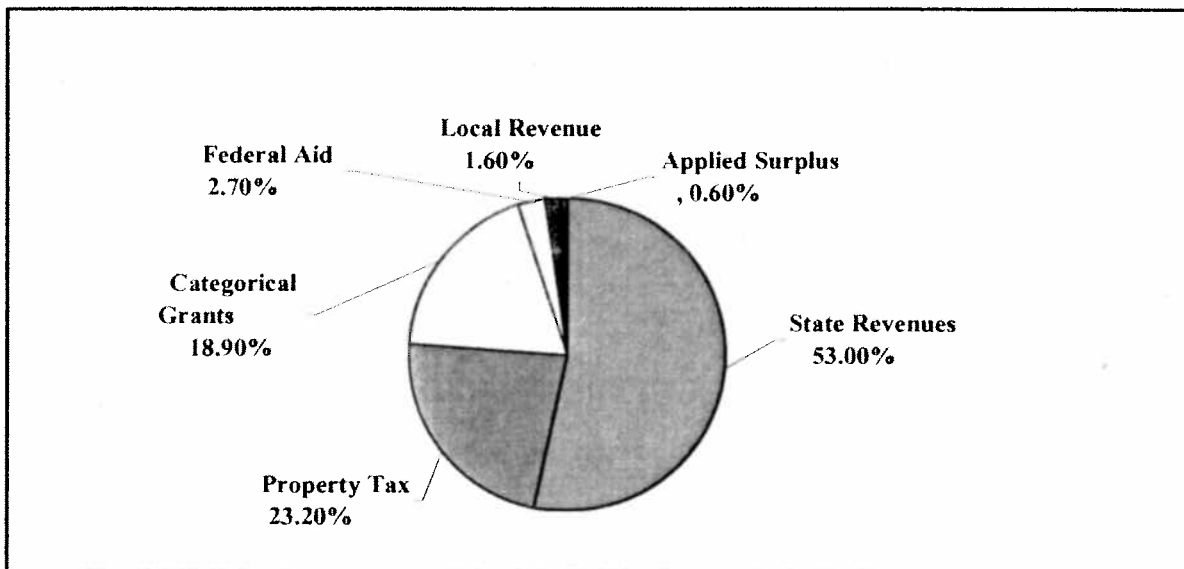
The Milwaukee Public Schools is the largest school district in Wisconsin and is the 30<sup>th</sup> largest school district in the nation. It operates more than 213 schools, including 127 elementary schools (including K-8s), 17 middle schools, 58 high schools, and 11 combined middle and high schools. The schools are a mix of traditional, charter, alternative, and partnership schools. In addition, the district has a number of early childhood and Head Start programs.

The district's purpose is to provide an efficient and effective educational system offering programs and services that are appropriate to the educational needs of its students. In addition to regular educational programs, the district offers comprehensive special education programs to 17.7 percent of its students and bilingual education programs to the 8.6 percent of its students who are English Language Learners. Through its specialty school programs, the district also offers advanced educational programs in such areas as language, fine arts, computer science, health professions, business, and technical trades.

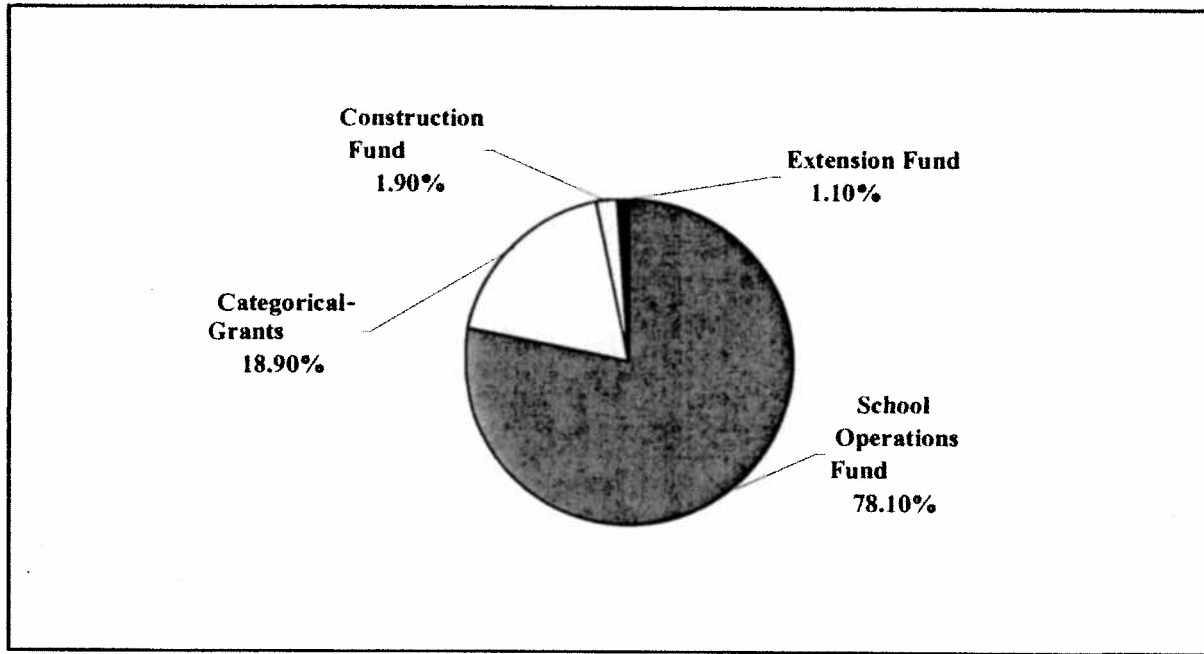
Over the last five years, the school district's enrollment has declined. The school system currently enrolls over 85,000 students. Some 57.0 percent of those students are African-American; 22.5 percent are Hispanic; 11.9 percent are White; 4.6 percent are Asian American and 3.9 percent are Native American or other. Seventy-seven percent of these students come from low income families.

The district's adopted budget for FY 2009 was projected to be \$1,240 million. The revenue and expenses of the projected budget are shown in Exhibits 1 and 2 below.

**Exhibit 1. Amended Adopted Budget, FY 2009 Revenues**



**Exhibit 2. Amended Adopted Budget, FY 2009 Expenses**



The FY 2009 school budget funded 13,576 full-time equivalent (FTE) positions, including 8,598 individuals who are largely school-based educators, administrators, and staff. (See Exhibit 3 below.)

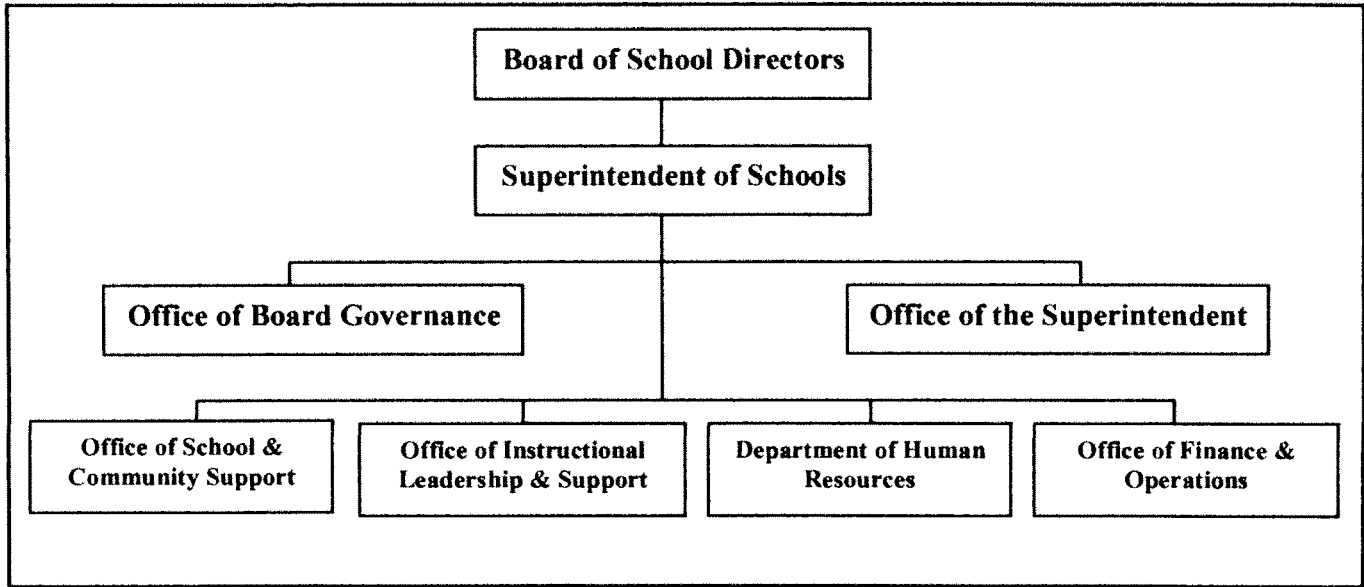
**Exhibit 3. School-Based Staff, FY 2009**

Category	Employees
Teachers	5,897
Educational Assistants	1408
Related Services (Psychologists, Social Workers, Therapists)	494
Clerical Workers, Secretaries	521
Principals, Assistant Principals	278
<b>Total</b>	<b>8,598</b>

The Milwaukee Public Schools is governed by a nine-member, elected Board of School Directors, who serve four-year staggered terms. One member is elected at large and eight others are elected from numbered districts. The Milwaukee Board of School Directors sets district policies and appoints the Superintendent of Schools.

The Superintendent is the senior official representing the district. The school district's central office organizational structure consists of six offices that are headed by executive officers who report directly to the Superintendent. (See Exhibit 4).

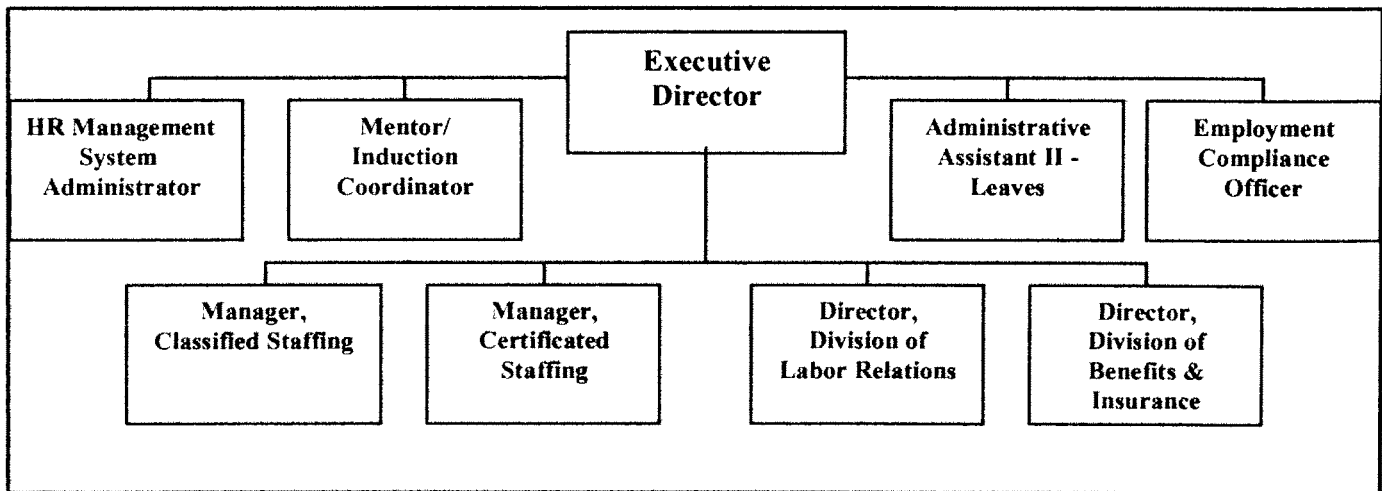
**Exhibit 4. School District Central Office Organization**



**Department of Human Resources Overview**

The Department of Human Resources is a cabinet office that reports directly to the Superintendent. The department’s organization and management positions and operating budget are shown in Exhibits 5 and 6 below.

**Exhibit 5. Human Resources Department Organization<sup>3</sup>**



<sup>3</sup> The HR Department Organization chart is the February 18, 2009 – H:\Private\Masters Word\HR Org. Chart 10.doc that was made available to the Team as part of the background information requested prior to the site visit.

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**Exhibit 6. Human Resources FTE and Operating Budget**

<i>Office of Human Resources</i>							
<i>EXPENDITURES</i>							
<i>(Page numbers in parentheses below refer to the Line Item Reference document)</i>							
<u>PURPOSE</u>	<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY09</u>	<u>CHANGE FY09-FY08</u>	<u>CHANGE FY09-FY08</u>	
	<u>ADOPTED</u>	<u>FTE</u>	<u>PROPOSED</u>	<u>FTE</u>	<u>BUDGET</u>	<u>FTE</u>	
<b>SCHOOL OPERATIONS FUND</b>							
Office of Executive Director (p. 131)	\$ 1,016,965	10.00	\$ 999,181	8.50	\$ (17,784)	(1.50)	
Human Resources/Payroll Sys (p. 132)	91,694	-	91,694	-	-	-	
Staffing Services (p. 133)	1,618,546	15.00	1,584,023	14.00	(34,523)	(1.00)	
Labor Relations/Compensation (p. 135)	936,431	7.00	936,431	7.00	-	-	
Benefits and Insurance Services (p. 136)	1,771,749	17.00	1,846,118	18.00	74,369	1.00	
<b>TOTAL SCHOOL OPERATIONS FUND</b>	<b>\$ 5,435,385</b>	<b>49.00</b>	<b>\$ 5,457,447</b>	<b>47.50</b>	<b>\$ 22,062</b>	<b>(1.50)</b>	
<b>CONSTRUCTION FUND</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	
<b>EXTENSION FUND</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	
<b>CATEGORICAL FUNDS</b>							
ESEA Highly Qualified Teachers (p. 263)	\$ 1,000,000	1.00	\$ 1,894,146	11.00	\$ 894,146	10.00	
ESEA Title II (p. 285)	897,367	15.25	-	-	(897,367)	(15.25)	
Transition to Teaching (p. 576)	178,147	0.50	-	-	(178,147)	(0.50)	
<b>TOTAL CATEGORICAL FUNDS</b>	<b>\$ 2,075,514</b>	<b>16.75</b>	<b>\$ 1,894,146</b>	<b>11.00</b>	<b>\$ (181,368)</b>	<b>(5.75)</b>	
<b>TOTAL ALL FUNDS</b>	<b>\$ 7,510,899</b>	<b>65.75</b>	<b>\$ 7,351,593</b>	<b>58.50</b>	<b>\$ (159,306)</b>	<b>(7.25)</b>	

↓ **Office of the Executive Director**

The Office of the Executive Director has an Administrative Assistant and two staff positions, which are responsible for coordinating the activities of 18 mentors and overseeing Employment Compliance issues; and five positions, which have major line responsibilities for various human resource operations. The Executive Director is responsible for the management of the human resources organization, including organizational development, policies and programs covering employment, compensation, benefits, performance management, employee relations, recruitment and retention. The position is also responsible for compliance with policies and practices of the district, state and federal laws, regulations and administrative rulings of governmental organizations, and other regulatory and advisory authorities and organizations. Finally, the department is responsible for strategic human resource planning to provide the district with the most qualified and diverse workforce available.

↓ **Human Resources Management System**

The Administrator of the Human Resources Management System provides functional supervision to various groups as required. The basic functions of the position include administrative and technical duties relative to planning, organizing, and implementing all aspects



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of functional security for the Human Resources/Payroll System as well as coordinating end-user training, and ensuring that the system is fully operational.

### **↓ Classified Staffing**

The Manager of Classified Staffing is responsible for planning, organizing, and directing day-to-day operations of the Classified Staffing Unit, which performs recruiting, employment and employee relations functions for approximately 6,000 employees in 10 bargaining units. Responsibilities include pre-employment background checks and physical examinations, drug testing, and all classified personnel transactions.

### **↓ Certificated Staffing**

The Manager of Certificated Staffing organizes, administers, and coordinates the staffing of schools and central services with qualified staff on a districtwide basis. The position is also responsible for ensuring compliance with school board policies, district needs, federal and state laws and contractual obligations; and responding effectively to problems associated with certificated staff.

### **↓ Division of Labor Relations**

The Director of Labor Relations represents the district in all employer and employee matters pursuant to provisions of Section 111.70 of Wisconsin Statutes. The position is responsible for planning, organizing, and directing contract negotiations with certified bargaining units; and overseeing the administration and implementation of labor contract provisions.

### **↓ Benefits and Insurance Services**

The Director of Benefits and Insurance Services directs the benefits and risk management division that includes directing, developing, and implementing financial, administrative strategies for effectively managing pension, benefits insurance, and risk management programs that cover 18,000 active and retired district employees. The Director also serves as a strategic advisor to senior management of the district and the Board of Directors on all aspects of benefit, insurance, and risk management programs; and is also responsible for the safety of students and employees through effective loss prevention, risk management, and insurance programs.

## **Peer Review Findings**

The findings and observations from the Strategic Support Team's Peer Review are organized around four general areas: Organization, Leadership, Management, and Operations.

### **↓ Organization**

- The Executive Director of the Department of Human Resources is a cabinet position, which reports directly to the Superintendent. It is, therefore, appropriately positioned at a high enough level within the district's organizational structure to ensure that the

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department operates effectively and efficiently; and it plays a strong strategic role in supporting the district's mission and achieving its goals.

- There is no indication, however, that the Department's organizational and administrative structure is regularly reviewed or revised to address emerging issues. Although the team had an Organization Chart that was dated 2/18/09, the reality is that the organization of the department has remained unchanged since at least FY 2006 when it was included as part of the Adopted Budget document.
- The Department has some elements of typical core HR functions—such as office operations (Management System), employment (Classified and Certificated Staffing), and employee support (Division of Benefits and Insurance Services). As evidenced by the results of the Self Assessment of Best Practices presented later in this report, other equally important core HR functions are either assigned to different departments or are non-existent. For example--
  - Professional Development Services is a function of the Office of Instructional Leadership and Support (which is not atypical in many urban districts).
  - The team could not determine if managing the district's organizational development and health was a core functional responsibility of a specific department. The team saw no evidence, however, that the Human Resources Department had actively sought this responsibility, which the Society for Human Resource Management (SHRM) argues should be a core function of human resource management professionals.

### **↳ Leadership**

- The Department's Executive Director is the liaison between the Board of School Directors, top management, and the Division of Labor Relations. The prominent role that the Executive Director plays in labor relations may explain why improving operational effectiveness and efficiencies in existing HR functions, incorporating other core HR functions (e.g., organizational and human resources development), and developing programs that would support the district's strategic mission and goals has not always been a focus of the unit.
- The Department has made an *initial* effort to align itself with the district's Strategic Goal to "employ highly qualified personnel to support student learning." For example, the Department has set goals, objectives, long-term targets, key outcome measures, accomplishments and strategies to --
  - Attract and retain high quality employees for the district, and
  - Comply with relevant state, federal, and district employment obligations.

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The Department's Functional Chart, however, identifies activities that are fundamentally transactional in their orientation and fail to add significant value to the district in meeting its strategic goals. There is little reference in the Chart to the core functions of a high-performing HR organization that would--

- Manage the organizational development and health of the district
  - Provide professional development and training that would develop "human capital" across all employee classes
  - Develop timely, accurate, and complete data relating to all areas of human resources responsibilities
  - Focus on appropriate and timely customer service and support to principals who are among their most critical customers.
- The Department does not appear to use a systematic or strategic approach in dealing with budget and staffing matters. For example--
    - The team heard from department staff that a change in teacher certification requirements enacted four years ago would become effective in the 2009 school year. Furthermore, it was stated that this requirement could result in a substantial decrease in funding due to the loss of certification for teachers currently holding temporary or less than renewable professional teaching credentials. The team did not hear that HR Department leadership had identified this as a critical issue, however, and no documentation was provided that suggested either a sense of urgency or that planning was underway to address this challenge.<sup>4</sup>
    - Staff members interviewed expressed little knowledge of departmental budgets (e.g., allotments) or interest in controlling costs (e.g., position control, benefits costs). At a time when the district was facing significant budget reductions for FY 2009, the Department proposed, for example—
      - An increase of over \$2.5 million (a 56.9 percent budget increase), including a 78.5 percent increase in FTEs, to "attract and retain high-quality employees"
      - An increase of nearly \$325,000, including a 27 percent increase in FTEs, to "deliver appropriate and cost-effective benefits and services to employees and retirees"
      - A decrease of nearly \$120,000, with a 10 percent decrease in FTEs, to "comply with relevant state, federal and district obligations" which would not come close to off-setting the proposed budget increases noted above.

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<sup>4</sup> This is significant because the team heard that the Wisconsin Department of Public Instruction had sanctioned the district over a similar finding.

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- The Strategic Support Team saw no evidence that the Department is involved in developing strategies that would—
  - Improve the performance and retention of district employees
  - Support evaluation practices that hold employees accountable for results
  - Help employees develop the skills and knowledge needed for promotion to key leadership positions within schools and departments.

In fact, as evidenced in the Self-Assessment section of this report, it is unclear which departments are responsible for these strategies.

- While the Department has made an initial effort to align itself with the district's Strategic Goal to "employ highly qualified personnel to support student learning," it has not demonstrated key outcome measures for achieving the district goal to "provide/deliver appropriate and cost-effective benefits and services to employees and retirees."
- The team found no evidence that the Department utilizes its own written vision, mission, goals, action plans, and key measures to hold personnel accountable for delivering high quality and effective services with cost-efficient results.
- The team saw no evidence that the long-term cost implications of the department goals, targets, and strategies are recognized as part of the district's budget processes. For example, the team never saw the percent of FTEs or budgets (i.e., sources of funds) for each of the Department's Goals.
- The team saw no evidence that the department had developed coordinated plans, goals, priorities, major initiatives, programs, or procedures to ensure that the measurable objectives and annual key outcome measures in the *Action Plan to Improve Milwaukee Public Schools, 2007-12* would be met, or had developed cross-functional communications channels so that the "rank and file" would understand expectations or reasons for "doing things differently."

### **↓ Management**

- The Department's goals, long-term targets, and strategies are not supported by detailed plans to either actualize these efforts or to measure progress towards achieving these goals. For example, milestones, cost implications, target completion dates and ownership responsibilities, where they existed, were poorly defined or non-existent.
- The Department of Human Resources has responsibility for managing employee health, life, and dental benefits and insurance programs, which currently have an unfunded

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liability exceeding \$2.2 billion.<sup>5</sup> The department, however, hires third party administrators to run the programs and actuaries to provide the data and information that supports programmatic changes because the programs are major cost centers.

- There was no indication that there was any follow-up to determine the causes of or to hold anyone accountability for the Department's failure to meet its target of having 98 percent of school-based positions filled on the first day of the FY 2008 school year.<sup>6</sup> The district had only 76 percent filled.
- Job titles and descriptions do not match assigned functions and responsibilities. For example, none of the following major duties and responsibilities of the Executive Director's position description are included in the Department's Functions Chart--
  - Develop, recommend, and implement human resources programs and policies that align with the district's organizational goals.
  - Evaluate the effectiveness of all Human Resource practices to ensure support of the district's goals.
  - Provide leadership, direction, and directives to Human Resources Management staff for the development of streamlined processes to maximize efficiency and effectiveness within the department.
  - Provide direction and directives to Human Resources Department staff in the performance of their duties, establishing work priorities, and in achieving management initiatives.
  - In accordance with the school district's policies and procedures on hiring, evaluates and recommends administrative and supervisory assignments and promotions to the Superintendent and appropriate department/division/office heads.
  - Oversee aspects of the salary administration program for district employees.
  - Oversee the management of the district's insurance and benefits program, insurance and risk management program and the development and implementation of safety and health policies and procedures for all MPS facilities.
  - Plan and develop departmental budget and manage expenditures.
  - Recommend training programs that will help to continually improve productivity of human resource staff.

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<sup>5</sup> According to Standard # 45 of the Government Accounting Standards Board (GASB # 45), public sector employers must quantify past employment liabilities in both budget and balance sheets. Even though there is no requirement that public sector employers actually provide funding, they must quantify and report this liability annually.

<sup>6</sup>Office of Human Resources, FY09 Proposed Budget, p. 116.

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- The Department does not embrace continuous quality or performance improvement methodologies.
- The organization of the Department by function has over-specialized staff resulting in operational silos, information hoarding, and a prevalent “us” versus “them” mentality that is adverse to change, discourages teamwork, and generates conflicting expectations, ineffective operations, poor customer services, and potentially higher costs.
- There seems to be a pervasive avoidance of responsibility and an aversion to risk among Department management. For example, it was reported that—
  - Directors and managers lack decision-making authority, which results in delays of up to two weeks for routine decisions.
  - Innovations, identifying and adopting best practices, regular peer comparisons with other districts and involvement in professional activities are not standard practices.<sup>7</sup>
  - Coordinated services and workflow efficiencies between offices are not emphasized as standard business practices.
- Department managers and staff admitted during their interviews to focusing almost exclusively on their individual tasks and using processes that are convenient for them, but exhibited little concern nor understanding for how these practices might affect the timely, effective and efficient delivery of services or impact their customers at large.
- Resource allocations are not based on evaluations of program effectiveness, analyses of the cost-benefits, or returns on investment from previous year decisions. For example, the 2009 budget allocated for “attracting and retaining high-quality employees” was increased by 56.8 percent (over \$2.5 million, from \$4.5 to \$7.0 million ) even though—
  - The strategies that were adopted to increase the “percent of school-based positions filled on the first day of the (2008) school year” missed the proposed 98 percent fill rate by 22 percent<sup>8</sup>
  - No data were available at the time of budget adoption to determine if the percent of teachers leaving in the first year of employment met the proposed target of 16 percent.
- The Strategic Support Team saw no evidence that either the FTEs or budgets allocated to the functional units within the Department were distributed based on well-defined allocation policies and formulas.

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<sup>7</sup>The Department, for example, has not participated in the Council’s *Managing for Results Project*, which is developing metrics and key performance indicators to measure performance, provide comparisons with other urban school districts, and ensure accountability in HR Operations, Staffing and Recruiting and Employee Relations.

<sup>8</sup> Office of Human Resources, FY09 Proposed Budget, p. 116

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- Lower management and support staff appear to have limited opportunities to raise concerns to senior management; are not informed of or given a voice in decisions; appear to be reluctant to express their opinions about internal departmental operations; are unaware of internal issues; and do not feel they are an equal part of their team.
- The Council team heard that departmental staff meetings, when they are called, are largely intended to share information, not to solve problems.
- The Department's Functions Chart and Position Descriptions do not reference the use of project management methodologies and techniques, collaborative decision-making processes, or cross-functional teams as requirements for developing, agreeing on or monitoring overall strategies; for addressing multi-dimensional issues associated with major initiatives; or for resolving inter-departmental issues.
- The Department does not utilize management systems with metrics to assess performance, measure productivity, and ensure accountability in day-to-day work of staff.
- There is a limited effort to develop plans, programs, or initiatives to measure workplace satisfaction and reduce employee turnover; and it is unclear who has the responsibility and accountability for doing so.<sup>9</sup>
- The district's *Action Plan to Improve Milwaukee Public Schools* barely mentions the need for central services to "monitor compliance with Wisconsin Department of Public Instruction licensure requirements in hiring and retaining educators" or to relate "to district employees in ways that support their performance and retention."
- Point-of-service, focus group, customer-satisfaction surveys, exit interviews and communications-feedback mechanisms are not routinely used to gain awareness of customer and stakeholder needs or to measure the degree to which customers are satisfied with the Department's services. The lack of focus on customer service contributes to complaints from principals.
- There has been no recent effort to conduct a classification study; to evaluate, revise or update job descriptions, roles and positions to reflect workplace enhancements, recent innovations and requirements; or to establish appropriate and competitive salaries that would attract the highest quality candidates and qualified staff, particularly in the technology field. For example—
  - The Position Summaries, Purposes, Essential Functions, Job Requirements provided to the team, for the most part, were created and/or updated in 2001-2006.

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<sup>9</sup> The Strategic Support Team, however, does commend the district and the Center for Urban Initiatives and Research at the University of Wisconsin-Milwaukee for the *Survey of Central Office Job Satisfaction and Morale 2008*.

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- A Classified Personnel Analyst position, which was created in June 2008, requires a bachelor's degree, previous experience in public sector human resources, and strong interpersonal and communication skills, the ability to work effectively with a diverse population, and knowledge of recruitment strategies and techniques; but does not require flexibility to adjust to changing district needs or technological innovations.
- There are few formalized training programs for new employees and no commitment to provide professional training and development opportunities for existing employees, including school-level administrative staff.
- There is no systemwide talent-assessment process or succession plan for replacing key personnel.
- With the exception of the Classified Staffing and the Management Systems Offices, the team found little evidence that the Department had set performance expectations that foster a sense of ownership and accountability for results.
- The district would have difficulty assessing performance or holding staff accountable because personnel evaluations, where they exist, are not tied to district, departmental or office goals and objectives for results.
- HR leaders and staff members indicated that union contracts are the *de facto* district policies, rules, and procedures guiding practice because the Department does not have a comprehensive set of standard operating procedures (SOPs) or rules based on policy. Furthermore, those interviewed indicated that there are a significant number of supplements to the contracts in the form of Memoranda of Understanding.

### **✦ Operations**

- Department processes and practices tend to be slow and cumbersome and contribute to duplicative work, excessive time losses, extensive use of redundant and parallel paper and electronic systems, and risky and inefficient “work around” methods. For example—
  - HR staff indicated that the on-line job application system is highly efficient and useful, but made no comments about job applicants' use or satisfaction with the system. Principals, on the other hand, reported that applicants complain about difficulties with the system and a corresponding frustration with not being able to talk with HR staff for assistance.
  - Principals reported that they routinely maintain duplicate “back-up” documents for both paper and electronic transactions because the Department has an excessively high rate of lost documents.



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- Principals complained that communications with the Department were difficult, that calls were frequently not returned, and that HR staff showed little regard for the needs of principals.
- The prevailing attitude among principals was that specific people in HR are the “go to persons” to staff schools or resolve other personnel related issues. Other staff members are not viewed as accessible in the same ways.
- Business processes and data flows are prone to error because they are not—
  - Well-defined or designed for accuracy or efficiency
  - Portrayed in a manner that enables staff to understand their purposes
  - Regularly reviewed or revised to reflect changes in policies or operating procedures
  - Documented in easy-to-use user manuals, handbooks or on-line guides.
- Business processes have not been reengineered, integrated or aligned so that—
  - Over-lapping and non-standardized processes that have evolved over many years are perpetuated and exacerbated by numerous and overly complex requirements
  - Back-office operations rely heavily on spreadsheets and paper forms because the HR staff has not embraced the district’s existing technologies and has marginalized and under-utilized the functionalities that could automate processes and improve workflow efficiencies.<sup>10</sup>
- Managers and staff provided little or no evidence of either collecting or using reliable data as guides for performance improvement. There is no evidence, for example, that trend data is used to make decisions regarding future hiring and workforce needs.

### **Recommendations**

The Strategic Review Team makes the following recommendations to restructure, reengineer and rebuild the Department of Human Resources of the Milwaukee Public School District.

1. Establish a sense of urgency for accomplishing results within the Human Resources Department with expectations and consequences for leaders, managers, and staff.
2. Assess the ability and willingness of the Human Resource Management Department’s leadership, management, and staff to transform the unit into a high performing

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<sup>10</sup> LinkNet, for example, is used extensively in the hiring of certificated staff, but is not used at all in the hiring of classified personnel. This may be due, at least in part, to dependence upon the city’s Civil Service Department whose primary responsibility is hiring classified employees for the city workforce.

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- organization. Staff the organization only with those individuals who have both the capacity and willingness to make the required changes.
3. Hold the Department's leadership team responsible for consolidating and restructuring departmental activities according to three core functional areas, including the following--
    - o Recruitment and Staffing Services (Certificated Staffing; Classified Staffing; Induction & Mentoring)
    - o Employee Relations and Support Services (Employee Hearings, Staff Relations and Policy Administration, Employee Grievances and Disputes)
    - o Operations and School Support Services (Classification and Compensation, Policy and Union Contract Administration, HRIS)
  4. Realign the Division of Labor Relations as a direct staff report to the Superintendent.
  5. Reassign the Division of Benefits and Insurance Services as a direct report to the CFO/COO in order to improve its effectiveness and long term fiscal planning.
  6. Restructure the Office of HR Management Systems as a comprehensive Human Resources Information Systems Department (HRIS) with emphasis on data management; full integration and utilization of all HR system modules; and salary and compensation administration. As part of its responsibilities, require that HRIS –
    - a. Perform a “gap analysis” to align the workflow processes with all available modules of the PeopleSoft software system and integrate supplemental software to address the gaps.
    - b. Develop an integrated job and salary Classification and Compensation Office within the HRIS department to enhance review and cost analysis of salary-related issues.
    - c. Conduct a classification and compensation study to define and align job descriptions with the roles and responsibilities of all positions that should be classified as exempt, non-exempt and “confidential.”
  7. Develop a long term Human Resources business plan with strategic goals, action plans, targets for performance, benchmarks, timelines, accountabilities, costs and performance measures.
  8. Map relevant workflow processes that are efficient, effective, outcome-driven, and focused on improved delivery of core human resources functions.
  9. Develop an organization focus on improved customer services.

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10. Develop a comprehensive strategy to address the unfunded liability and long term financial exposure of the district related to increasing employee benefit costs.
11. Establish a Salary Advisory Council, including senior and executive level staff, to review and resolve salary and compensation issues.
12. Develop proposals that would identify funding sources and support the acquisition of resources (personnel, budget, and technology) to support implementation of improvement initiatives such as organizing existing technology systems.
13. Provide assistance and training for principals and school interview committees on legally defensible interview techniques and on effective ways to enhance the image and marketability of their schools to attract high quality candidates.

### **Self Assessment of Best Practices**

The second method used by the Council to review the district's Human Resource operations involved a Self-Assessment using a survey that was adapted from one developed by the Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) and the state's Auditor General for the purpose of conducting performance reviews of school districts. The Strategic Support Team uses the survey in a self-assessment format to evaluate how the organization, leadership and management, and operational procedures of the Milwaukee Public Schools' Department of Human Resources compare with national best practices.<sup>11</sup>

The survey measures 18 standards and 174 indicators in five functional HR areas—

- Staff Development (3 Standards and 39 Practices)
- Recruitment, Hiring Salary and Benefits (3 Standards and 33 Practices)
- Personnel Evaluation (2 Standards and 24 Practices)
- Absenteeism and Personnel Records Management (2 Standards and 13 Practices)
- Human Resources Management (8 Standards and 52 Practices)

Self assessment responses indicate that the department complied with 100 (62.1 percent) of the 161 indicators of human resources management best practices. The department indicated that it did not comply with 17 (10.6 percent) of 61 indicators. The remaining 44 indicators were either left blank or noted (NA) as a practice, meaning that the function was the responsibility of another department with the district.

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<sup>11</sup> The value of a self assessment is limited by the willingness of respondents to be open and truthful and, to the extent possible, provide supporting documentation (e.g., policies, procedures, etc.) to substantiate that they comply with the practice. The Strategic Support Team relies on the district to closely scrutinize the responses (and to use the Peer Review findings to assist in the process), and to use the survey to identify operational deficiencies and opportunities for programmatic improvements. The Strategic Support Team was not always in agreement with the Department's assessment of itself. (See concluding section.)

### ➤ Staff Development

The Department of Human Resources reported that the district complies with 12 of the 39 (30.8 percent) best practices in recruitment, hiring, salary, and benefits.

- **Standard 1:** The district's HR Department provides a comprehensive staff development program to achieve and maintain high levels of productivity and employee performance among non-instructional employees.

The Department reported that the district complies with five (45.5 percent) of the 11 indicators of best practices for providing a comprehensive staff development program for non-instructional employees. Specifically--

- The HR Department conducts orientation programs for all new employees.
- The HR Department has a districtwide training program and maintains training records on each staff member.
- The HR Department plans training programs based on districtwide needs assessments that include input from employees and their supervisors.
- The HR Department has procedures to evaluate individual in-service training activities.
- The HR Department uses employee feedback to evaluate individual in-service training activities.

Based on what the Department reported, it was unclear whether the district complied with the remaining six indicators of best practices for providing a staff-development program for non-instructional employees.<sup>12</sup>

- The HR Department's orientation programs include information on district procedures, performance expectations and evaluations, training and career opportunities, and personnel policies regarding such issues as absences, leave approval and tardiness.
- The HR Department solicits and uses input from supervisors and employees hired within the last three years to establish, revise, or affirm its new employee orientation programs for non-instructional employees, including content and approach.

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<sup>12</sup> The team was unclear about whether the district complies with these and other indicators of best practices because the Department of Human Resources left multiple items blank or marked them as "non-applicable" (NA) throughout the survey. These responses may have been because the responder either didn't know whether the Department of Human Resources had functional responsibility for complying with an indicator or didn't know what department had been assigned the functional responsibility for the practice. In any event, the Department made no effort to document how the Department did comply with an indicator of best practice, or to provide an explanation and/or to indicate what department had functional responsibility for the practice if HR did not.

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- The HR Department has mentoring programs, as appropriate, for new non-instructional employees.
- The district establishes and implements formal staff development plans to provide ongoing training of non-instructional employees.
- The responsibility for training classes of non-instructional employees may be delegated to another unit within the district (i.e., transportation employees may be trained by the district's transportation unit), but that unit provides the district training officer with copies of annual plans, training schedules, and attendance rosters.
- The procedures to evaluate individual in-service training activities included the extent to which the efforts meet identified long-term training objectives.
- **Standard 2:** The district's HR Department provides a comprehensive staff development program for instructional employees to attain and maintain high-quality instruction and to achieve high levels of student performance.

The Department reported that the district complies with seven (30.5 percent) of the 23 indicators of best practices for providing a comprehensive staff development program for instructional employees. Specifically--

- The HR Department conducts orientation programs for all new instructional employees, including information on district procedures, performance expectations and evaluations, training and career opportunities, and personnel policies regarding such issues as absences, leave approval and tardiness.
- The HR Department has a comprehensive induction program that provides new teachers with the opportunities to learn the additional skills necessary to be successful in specific school environments.
- The HR Department's induction program includes a mentoring component for new teachers.
- The HR Department assigns mentors to each new teacher to provide guidance and advice as the new employee learns the various aspects of the job.
- The HR Department trains mentors in the purposes of mentoring and in mentoring techniques and practices.
- The HR Department uses training funds in a cost-effective manner to enable instructional employees to further their professional development in a way that benefits the district and/or improves student outcomes.

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- The HR Department has procedures to evaluate individual in-service training activities.

Based on what the Department reported, it was unclear whether the district complied with the remaining 16 indicators of best practices (69.5 percent) for providing a comprehensive staff-development program for instructional employees. Specifically—

- Training programs for instructional staff included a variety of training approaches (e.g., lecture, simulation of techniques, observation, classroom practice, and feedback).
- Policies had been developed to encourage instructional personnel to pursue certification by the National Board of Professional Teaching Standards.
- There was a professional development system that meets the requirements of State law, including approval by the state Department of Education.
- Training records are maintained on each staff member.
- Analyses of the aggregated results of employee evaluations are used to plan training programs.
- The extent to which annual training efforts meet identified long-term training objectives is evaluated.
- Input from supervisors and from new employees is solicited and used to establish, revise, or affirm orientation and induction programs for new instructional employees, including content and approach.
- Training programs for instructional employees are planned based on districtwide needs assessments that include input from employees and their supervisors.
- Analyses of disaggregated student data pertaining to goals for student learning and development are used to plan training programs.
- An annual staff development plan for its instructional employees has been established, implemented, and published.
- The staff-development plan includes clearly identified objectives for training.
- The objectives for the staff-development training objectives include improved student performance.
- The impact of in-service training activities on student outcomes and employee feedback is evaluated.

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- The training programs for instructional staff include research-based teaching strategies that increase student learning and development.
- The training programs for instructional staff include strategies for assessing student performance.
- The training programs for instructional staff include the follow-up necessary to ensure improvement.
- **Standard 3:** The district's HR Department provides a comprehensive staff-development program for school-based administrators.

Based on what the Department reported, it was unclear whether the district complied with any of the five indicators of best practices for providing a comprehensive staff development program for school-based administrators. Specifically--

- Training is provided to new administrators prior to their appointment to an administrative position.
- A training program for new school administrators includes a mentoring component.
- There is a process for identifying employees with the potential for employment in administrative positions.
- Decisions regarding the retention of school administrators in administrative positions are made after considering feedback solicited and received from non-administrative personnel and from parents.
- All principals, assistant principals, and school site administrators have completed (or anticipate completing within the current school year) a leadership training program for administrators and school-based managers.

### **➤ Recruitment, Hiring, Salary & Benefits Practices**

The Department of Human Resources reported that the district complied with 22 of the 32 (68.8 percent) best practices in recruitment, hiring, salary, and benefits.

- **Standard 1:** The district's HR Department has efficient and effective processes for recruiting and hiring qualified personnel.

The Department reported that the district complied with 18 (94.7 percent) of the 19 indicators of best practices for recruiting and hiring qualified personnel in this area. Specifically--

- There are standard districtwide procedures to announce vacancies and to receive and process applications.

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- Employment procedures are conducted in a manner that assures equal opportunity regardless of age, race, color, religion, sex, and national origin.
- Background checks are completed on all new employees prior to placing the employee in a position that involves contact with students.
- Information on positions to be filled, education, experience, knowledge, skills, and abilities required, and compensation range are provided in job vacancy announcements.
- Application forms are easily accessible.
- Applications are easily shared within the district so that the applicant is not required to take a separate copy of their application to every different school that they wish to apply.
- A long-term plan has been implemented to remedy the situation if certain races or ethnicities are underrepresented.
- The district can verify the qualifications of all of its instructional employees, and that all instructional employees are qualified for the positions that they hold.
- There are procedures to monitor the number of out-of-field teachers who have been hired, and the status of those teachers' efforts to attain certification in the field in which they are teaching.
- Short- and long-term strategies have been developed and implemented to remedy the situation in those areas in which the district has experienced a shortage of qualified applicants.
- Entry-level salaries are periodically compared with neighboring districts, and entry-level salaries are adjusted as necessary to compete for qualified applicants.
- The employees hired within recent years generally reflect the population of the district.
- Applicants can readily ascertain the status of their application.
- Up-to-date, clear, concise, and readily accessible position descriptions are maintained that accurately identify the duties of each position and the education, experience, knowledge, skills, and competency levels required for each class of positions, and for each district-level administrative position.
- Its recruiting strategies are cost-effective.



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- Vacancy information is accessible through both a telephone job-line and through the internet.
- Job application procedures are applicant-friendly
- There is a procedure for matching applicants with available openings.

The Department reported that the district did not comply with the following indicator of best practices--

- The HR Department can demonstrate that its recruiting practices generate a sufficient number of qualified applicants to fill vacant positions in a timely manner.
- **Standard 2:** The district's HR Department maintains a reasonably stable work force through competitive salary and benefit packages.

The Department reported that the district complied with three (50.0 percent) of the six indicators of best practices for maintaining a reasonably stable work force through competitive salary and benefit packages. Specifically--

- The district periodically compares its compensation and benefit package with that of neighboring and similar sized school districts, and of other public and private employers in the area.
- When criteria such as position, years of experience, education level, district cost of living, and job requirements are considered, the district's compensation and benefits package, including the contribution to the state retirement system, is competitive with the value and compensation of other public and private employers in the area.
- The district periodically analyzes and compares major classes of positions within the district for internal equity, and adjusts salaries as appropriate based upon those reviews.

The district does not, however, comply with the following indicator of best practice. Specifically, the district—

- Has not developed incentive policies to encourage and reward effective teachers, critical shortage teachers, and teachers in hard to place schools.

Based on what the Department reported, it was unclear whether the district complied with two (33.3 percent) of the six indicators of best practices. Specifically, it was unclear whether the district—

- Has implemented strategies to improve the retention of good employees, such as linking pay increases to performance.

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- Has developed a policy and/or procedures that give preference based on instructional performance when selecting instructional personnel for positions that receive supplemental pay (i.e., team leaders, mentors, etc.).
- **Standard 3:** The district's HR Department works to address and remedy factors that contribute to increased turnover.

The Department reported that the district complied with one (14.3 percent) of the seven indicators of best practices for addressing and remedying factors that contribute to increased turnover. Specifically, the district--

- Maintains data on turnover rates for major classes of employees, and monitors this data to identify unusual variations in the turnover rate.

Based on what the Department reported, the district does not comply with six (85.7 percent) of seven best practices for addressing and remedying factors that contribute to increased turnover. Specifically, the district does not--

- Compile and analyze the results of its exit interviews.
- Conduct exit interviews with employees who terminate their employment.
- Periodically compare its turnover rates with the turnover rates of peer districts.
- Compile the results of exit interviews, analyze turnover rates and provide this information to the superintendent and the board at least annually.
- Demonstrate attempts to identify and remedy factors that adversely affect the district's ability to retain qualified instructional and non-instructional personnel.
- Identify factors that adversely affect the district's ability to retain qualified instructional and non-instructional personnel through climate surveys, exit interviews, the collective bargaining process, or district-wide personnel reviews.

### **✦ Human Resources Management Practices**

The Department responded that the district complies with 44 (84.61 percent) of the 52 indicators of best human resources management practices.

- **Standard 1:** The district's HR Department maintains clear and effective channels of communication with employees.

The Department reported that the district complied with six (75 percent) of the eight indicators of best practices for maintaining clear and effective channels of communication with employees. Specifically, the district--

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- Maintains an internet/intranet-based site that contains correct and current detailed information for employees, including district personnel policies, a district calendar, district office staffing information (who is responsible for what and how to contact), and other relevant district data and information.
- Has established cost-effective means of directly informing employees of district news, policy and personnel changes, and other relevant information.
- Solicits and uses input from interested and affected employees through surveys, task forces, work groups or other consensus-gathering approaches when developing or revising major policies.
- Has established a system for soliciting feedback from its employees. The process for receiving and acting upon employee feedback is clearly articulated, and the district can demonstrate that it has regularly solicited feedback and responded to the feedback it has received.
- Has clearly articulated the responsibilities for each office at the district level in the employee handbook, in documents provided to parents, or school websites so that district employees, parents, and the school board can determine the functions of those offices.
- Has customer-friendly processes that enable employees, parents, and school board members to contact and to obtain information from knowledgeable sources at the district office.

Based on what the Department reported, it was unclear whether the district complied with two (27.6 percent) of the eight best practices for maintaining clear and effective channels of communication with employees. Specifically, whether the district-

- Produces and distributes a handbook to its employees, which includes information on such subjects as employee rights and responsibilities, fringe benefits, general working requirements (workdays, leave policies, holidays, etc.), personnel evaluation process, grievance procedures, and compensation policies; a copy of applicable collective bargaining agreement; and pamphlets or other written material explaining district benefit programs.
- Schedules periodic visits to individual school and other work sites to meet with employees.
- **Standard 2:** The district's HR Department has developed efficient and cost-effective policies and practices for providing substitute teachers and other substitute personnel.

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The Department reported that the district complied with five (71.4 percent) of seven indicators of best practices for providing substitute teachers and other substitute personnel. Specifically, the district--

- Has clearly defined procedures for teachers and essential non-instructional personnel to notify the appropriate school or district officials of an anticipated absence and for substitutes to be contacted.
- Recruits and maintains a sufficient number of substitute teachers to cover most absenteeism peaks.
- Provides ongoing training and orientation for substitute teachers.
- Monitors rates of absenteeism among teachers and other essential employees.
- Has defined what constitutes excessive absenteeism, and has developed policies/practices to deal effectively with problems created by excessive absenteeism.

Based on what the Department reported, it was unclear whether the district complied with two (27.6 percent) of the seven best practices for providing substitute teachers and other substitute personnel. Specifically, whether the district--

- Equitably assigns substitutes among schools.
  - Routinely provides special assistance (training and oversight) to those who must substitute for extended teacher absences.
- **Standard 3:** The district's HR Department maintains personnel records in a highly efficient and accessible manner.

The Department reported that the district complies with all seven (100.0 percent) indicators of best practices for maintaining personnel records. Specifically, the district--

- Maintains personnel records, including confidential records, in accordance with State statutes and regulations.
- Uses automated record-keeping systems and minimizes the use of antiquated or time-consuming hardcopy record systems.
- Has an efficient and effective record-keeping system for both automated and hardcopy personnel records, and uses appropriate and cost-efficient archiving methods.
- Has developed an automated personnel system that enables officials at school sites to access personnel records on the automated personnel system.

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- Can demonstrate that it updates personnel records in a timely manner.
- Files hardcopy records into individual personnel records in a prioritized fashion so that needed records can be found in the file.
- And when appropriate, school personnel can amend personnel records, diminishing the need for the transfer of paper from the school to the district office.
- **Standard 4:** The district's HR Department has developed cost-containment practices for its Workers Compensation Program.

The Department reported that the district complies with three (60 percent) of the five cost-containment practices for Workers Compensation Programs. Specifically, the district--

- Has procedures that are distributed to all employees concerning prompt reporting of all on-the-job injuries.
- Has a safety inspection program that determines the corrective actions necessary based upon past workers' compensation claim experience and proactive inspection of known and probable high-risk areas and professions.
- Can demonstrate that it reviews its Workers Compensation Program to value workers' compensation claims and expenses.

Based on what the Department reported, it was unclear whether the district complied with two (40 percent) of cost-containment practices for Workers Compensation Programs. Specifically, whether the district uses--

- Comparisons with state and national statistics, peer and area school districts, and as appropriate for some positions, other government agencies and private industry in the review of its Workers Compensation Program.
- The results of these evaluations to be proactive in attempts to cost effectively reduce frequency and cost of Workers Compensation claims.
- **Standard 5:** The district's HR Department has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of its programs.

The Department reported that the district complied with two (50 percent) of the four best practices to ensure the performance, efficiency, and effectiveness of its programs. Specifically, the district--

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- Has clearly stated goals and measurable objectives that reflect the intent (purpose), expected outcomes of its program, and address the major aspects of the program's expenditures.
- Uses appropriate performance and cost-efficiency measures and interpretive benchmarks to evaluate programs and uses these in management decision-making.

Based on what the Department reported, it was unclear whether the district complied with two (50 percent) of the four best practices to ensure the performance, efficiency, and effectiveness of its programs. Specifically, whether the district--

- Regularly evaluates the performance and cost of its programs and analyzes potential cost savings of alternatives, such as outside contracting and privatization.
  - Has established and implemented strategies to continually assess the reliability of its program performance and cost data.
- **Standard 6:** The district's HR Department periodically reviews the organizational structure and staffing levels of its office to minimize administrative layers and processes.

The Department reported that the district complied with all five (100.0 percent) of the best practices for minimizing administrative layers and processes. Specifically, that--

- At least annually, a report is prepared by the director to the superintendent and/or the school board on the activities of the program and on any changes that are needed to improve the organizational structure.
  - As presently aligned, the structure of the department includes reasonable lines of authority and spans of control given the responsibilities of each organizational unit.
  - The organizational structure and staffing levels of the department are periodically reviewed to minimize administrative layers and processes. The results of these reviews are provided in writing to the school board.
  - Department staffing levels are periodically compared to human resources operations in comparable districts using appropriate measures such as number of human resource staff per district employee or human resource cost per district employee, and reports the results of this review in writing to the school board.
  - The department can demonstrate that it has an appropriate structure and that staffing levels are reasonable based on applicable comparisons and/or benchmarks.
- **Standard 7:** The district's HR Department periodically evaluates its personnel practices and adjusts these practices as needed to reduce costs and/or improve efficiency and effectiveness.

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The Department reported that the district complies with all nine (100.0 percent) of the best practices for reducing personnel costs and improving efficiency and effectiveness. Specifically, the district--

- Periodically solicits feedback from staff members throughout the district to determine whether its operations are effectively and efficiently serving the district.
  - Makes use of automated phone systems, email, faxing, and the district website as a means of answering inquiries whenever possible.
  - Offers employee benefits that provide value to the employees at a level that justifies their costs to the district.
  - Substantially implements the recommendations resulting from review of its service delivery.
  - Periodically conducts a review of its service delivery to identify ways of reducing costs and improving efficiency and effectiveness.
  - Handles requests for personnel assistance from administrators and employees efficiently.
  - Puts the results of this feedback, including recommendations for program improvements, into writing to the superintendent and/or the school board.
  - Requires all new employees to receive salary warrants through direct deposit to reduce the costs of writing checks unless the requirement is waived due to special circumstances.
  - Identifies and adopts less costly approaches to providing employee benefits whenever possible.
- **Standard 8:** For classes of employees that are unionized, the district's HR Department maintains an effective collective bargaining process.

The Department reported that the district complies with all seven (100.0 percent) of the best practices for maintaining an effective collective bargaining process. Specifically, the district--

- Clearly designates staff members responsible for labor relations and contract negotiations, and these staff members receive annual training to enhance knowledge of the negotiations process, issues, and legislative mandates.
- Has developed clearly defined procedures as to the roles and responsibilities of the negotiator, the superintendent and school board members during the negotiation

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process. The process includes steps to establish district priorities for the negotiation process while maintaining confidentiality.

- Asks school and unit administrators to identify potential issues of concern that could be raised in the collective bargaining process.
- Determines the costs or potential cost savings associated with issues of concern, and then meets with district level administrators to determine the feasibility of addressing the concerns raised and whether the district wishes to include these issues in the district's proposals to the unions.
- Includes an attorney trained in collective bargaining law and procedure, or retains a consultant attorney with this expertise on the administrative negotiating team.
- Maintains and updates archival records of negotiations.
- Determines the estimated costs, and the advantages and disadvantages of each proposal upon receipt of union proposals other than salary,

### **◆ Personnel Evaluation Practices**

The Department reported that the district complies with 10 (41.7 percent) of the 24 indicators of best personnel evaluation practices.

- **Standard 1:** The district's HR Department has designed a system for formally evaluating employees to improve and reward excellent performance and productivity, and to identify and address performance that does not meet the district's expectations for the employee.

The Department reported that the district complies with seven (46.8 percent) of the 15 indicators of best practices for evaluating employees. Specifically, the district--

- Has established and implemented procedures for assessing the performance of all instructional personnel as required by State law, and these procedures have been approved by the Department of Education.
- Provides written information regarding the performance assessment process to all personnel at the beginning of a rating period, including performance criteria that will be used in the assessment and the process that will be used to make the assessment.
- Has performance criteria including measures and standards related to student outcomes for instructional personnel, as required by State law.
- Has developed a process by which it determines/verifies that immediate supervisors have completed performance evaluations at least once a year or as required by district policy.



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- Has structured an evaluation process in such a way that poorly performing employees are clearly informed that their performance does not meet the district's expectations.
- Has developed procedures regarding the maintenance of records regarding instructional employees who have been notified that their performance has been unsatisfactory, instructional employees who have been placed on probationary status, and disciplinary actions taken against instructional personnel due to poor performance or for any other reason.
- Has developed policies regarding the drug testing of employees and regarding the provision of employee assistance to employees who are impaired by alcohol or drug abuse, in accordance with State law.

The Department reported that the district does not comply with four (26.7 percent) of the indicators of best practices for formally evaluating employees. Specifically, the district does not --

- Regularly provided training, guidance, and coaching to persons who conduct personnel evaluations to ensure they evaluate personnel properly.
- Use a 360-degree evaluation procedure to solicit input from peers and subordinates, and, when appropriate, from parents and from other classes of employees.
- Link a portion of instructional employee salary to measures of student performance.
- Annually compile information on employee evaluations to determine what employee issues need to be addressed by management and through training.

Based on what the Department reported, it was unclear whether the district complied with the remaining four indicators of best practices for formally evaluating employees. Specifically, whether--

- Employees are provided with a written disciplinary procedure that includes provisions of due process.
  - A system is used for evaluating instructional employees that includes an appraisal of the employee's content knowledge in the area of instruction.
  - Master teachers are used to assist in the evaluation of new teachers.
  - Employees whose performances do not meet expectations are provided with a written notice as to when their performance will be reevaluated, and a copy of this notice is provided to the district.
- **Standard 2:** The district's HR Department ensures that employees who repeatedly fail to meet the district's performance expectations, or whose behavior or job performance is

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potentially harmful to students, are promptly removed from contact with students, and that the appropriate steps are taken to terminate the person's employment.

The Department reported that the district complied with three (33.3 percent) of the nine indicators of best practices for managing employees who fail to meet performance expectations. Specifically, the district—

- Regularly provides training, guidance, and coaching to managers on the procedures and issues associated with working with poorly performing employees.
- Has developed procedures that provide for the prompt investigation and resolution of allegations of behavior by district employees that is potentially harmful to students.
- Has developed procedures that expeditiously remove from contact with students those employees whose behavior, attitude, or performance may be harmful to students.

Based on what the Department reported, it was unclear whether the district complied with six (66.7 percent) of the best practices for formally evaluating employees. Specifically, whether the district--

- Had procedures and criteria in place to identify the employee behaviors and performance problems that are potentially harmful to students.
- Had someone charged with the responsibility of working with principals to document poor performance appropriately and to provide administrative and legal consultation to the principals in making and implementing decisions to terminate employees.
- Had procedures to ensure that poorly performing employees are not repeatedly transferred among school sites in lieu of termination of their employment.
- Had a plan for ensuring that marginal or poorly performing employees receive counseling, individual development plans, official notice of probation and employee appeal procedures.
- Had a process for monitoring the ongoing performance of marginal or poorly performing employees to ensure that either performance is improved or employment is terminated.
- Had a process for monitoring the progress and performance of students who are under the instruction of a teacher who has been identified as a poor performer.

### **✦ Absenteeism & Personnel Records Management Practices**

The Department of Human Resources reported that the district complies with 12 (92.3 percent) of the 13 indicators of best practices for managing absenteeism and personnel records.

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- **Standard 1:** The HR Department has efficient and cost-effective systems for managing absenteeism and the use of substitute teachers and other substitute personnel.

The Department reported that the district complied with six (85.7 percent) of the seven indicators of best practices for managing absenteeism and using substitute teachers and other substitute personnel. Specifically, the district--

- Monitors rates of absenteeism and the use of substitutes among teachers and other essential employees.
- Has clearly defined procedures for teachers and essential non-instructional personnel to notify the appropriate school or district officials of anticipated absences and for substitutes to be contacted.
- Provides ongoing training and orientation for substitute teachers.
- Recruits and maintains a sufficient number of substitute teachers to cover most absenteeism peaks.
- Has defined the rate of absenteeism that requires review, and has developed policies/practices to deal effectively with the problems created by excessive absenteeism.
- Has implemented ways to decrease absenteeism (which may include an incentive program to reward good attendance).

Based on what the Department reported, it was unclear whether the district routinely provides—

- Special assistance (training and oversight) to those who must substitute for extended teacher absences.
- **Standard 2:** The district's HR Department maintains personnel records in an efficient and readily accessible manner.

The Department reported that the district complied with all six (100.0 percent) indicators of best practices for maintaining personnel records. Specifically, the district--

- Maintains personnel records, including confidential records, in accordance with State statutes and regulations.
- Uses automated record-keeping systems and minimizes the use of antiquated or time-consuming hardcopy record systems

## **Review of Human Resource Operations in the Milwaukee Public Schools**

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- Has an efficient and effective record keeping system for both automated and hardcopy personnel records, including a system for identifying and archiving old records.
- Has established procedures to allow officials at school sites to access automated personnel records.
- Can demonstrate that it updates personnel records in a timely manner, and, when dealing with a filing backlog, files hardcopy records in a prioritized fashion so that records can be found in the file.
- Can amend personnel records without compromising the security of those records, thus diminishing the need for the transfer of paper from the school to the district office.

### **Recommendations**

The Strategic Support Team did not make specific recommendations related to the district's self-assessment. The team, however, does recommend that—

1. The Department of Human Resources document how the district complies with the indicators of best practices for which it has functional responsibility.
2. Departments be identified and document how the district complies with the indicators of best practices for which the Department of Human Resources does not have functional responsibility.
3. The Department of Human Resources explains numerous differences between the indicators of best practices which it claims to comply with and the concluding findings and observations of the Peer Review. For example—
  - Compliance with the indicators of best practices for recruiting and hiring qualified personnel and finding that the Department failed to meet the district's target of filling school-based positions on the first day of the school year
  - Compliance with maintaining clear and effective channels of communications and the finding that communications with the Department were difficult, that calls were frequently not returned, and that staff showed little regard for their needs.
  - Compliance with maintaining personnel records in a highly efficient and accessible manner and the finding that reports duplicate "back-up" documents are maintained for both paper and electronic transactions because the Department lacked a tracking mechanism for electronic transactions and had an excessively high "lost" rate of documents.

## **Review of Human Resource Operations in the Milwaukee Public Schools**

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- Compliance with accountability mechanisms to ensure the performance, efficiency, and effectiveness of its programs and the finding that the department has not participated in the Council's *Managing for Results Project*, which is developing metrics, key performance indicators to measure performance and ensure accountability in HR Operations, Staffing and Recruiting and Employee Relations.
  - Compliance with practice that the HR Department periodically reviews its organization structure to minimize administrative layers and processes and the finding that the organization of the department has remained unchanged since, at least, FY 2006.
  - Compliance with the periodic evaluation and adjustment of practices to reduce costs and the finding that resource allocations are not based on evaluations of program effectiveness, analyses of the cost-benefits, or returns on investment from previous year decisions.
4. Given the depth and scope of these best practices and the high standard of performance set by the best practices, the team recommends that the district develop an action plan that would result in the district's meeting the indicators of best practices with the ultimate goal of improving operational effectiveness and cost-efficiency.

### **E. Conclusions**

The Strategic Review Team found that the Milwaukee Public School District's Department of Human Resources operated largely in a transactional fashion that added limited strategic value to the district. The Department of Human Resources leadership, staff deployment, management and operations were not used in a manner that could best support the district's "human capital" needs.

The Department of Human Resources' management strategy appeared to be risk averse and was marked by a weak sense of urgency to improve and little functional concern for customers and stakeholders.

The Strategic Support Team intends that the findings and recommendations in this report act as catalysts for strategic change and performance improvement. The team's recommendations are designed to provide a framework the district to use in order to restructure, reengineer and rebuild the Department of Human Resources as a strategic leader for the district. It is the assessment of this team that a high performing Department of Human Resources focused on customer service, the development of the organization's "human capital," and the district's strategic mission will require the kind of comprehensive reform outlined in this report.

The Strategic Support Team is available to the district to help implement any of the proposals made in this report or to provide follow-up information or assistance.

**ATTACHMENT A. STRATEGIC SUPPORT TEAM**

**Robert Carlson**

**Robert Carlson** is Director of Management Services for the Council of the Great City Schools. In that capacity, he provides Strategic Support Teams and manages operational reviews for superintendents and senior managers; convenes annual meetings of Chief Financial Officers, Chief Operating Officers, Human Resources Directors, and Chief Information Officers and Technology Directors; fields hundreds of requests for management information; and has developed and maintains a web-based management library. Before joining the Council, Mr. Carlson was an Executive Assistant in the Superintendent's Office of the District of Columbia Public Schools. He holds a doctorate and masters degree Administration from The Catholic University of America; a B.A. in Political Science from Ohio Wesleyan University; and has done advanced graduate work in political science at Syracuse University and the State Universities of New York.

**Dan Cochran**

**Dan Cochran** is Human Resources professional who recently completed a two year assignment with of the Los Angeles Unified School District in which he helped implement strategic planning and reengineering the Human Resources Division. He is the former Associate Superintendent of Human Resources for the School Board of Broward County, Florida. In that position, he was responsible for all employees and functions assigned to Employee Relations, Administrative Procedures, Staffing, Wage and Salary and Benefits and Risk Management. Before taking the Broward position, Mr. Cochran served as the Executive Director of Personnel Services for the Fulton County (GA) Public Schools, and prior to that position he served as the Director of Human Resources for the Cobb County (GA) Public Schools. He has been a principal, an assistant principal, a guidance counselor, and a vocational education teacher. He has also worked in the private sector (Lear-Siegler, Inc.), where he was responsible for negotiations and contract implementation with the United Auto Workers. Cochran has B.S. and M.S. degrees from the University of Tennessee, a law degree from the Atlanta Law School, and graduate courses toward the Ph.D. from the University of Alabama.

**Cordell Carter**

**Cordell Carter** is a Broad Resident in Urban Education and Special Assistant for Operations in the Seattle Public Schools. He possesses Fortune 500 experience in project management, strategic planning, change management, reporting/metrics analysis with a focus on building relationships and bridging cultural differences in order to promote a shared vision of improvement. Mr. Carter holds a *Juris Doctorate* from the University of Notre Dame, a Masters of Science from Carnegie Mellon University, and a Bachelor's of Arts from the University of Washington.

**Brent Jones**

**Brent Jones** is Executive Director for Human Resources in the Seattle Public Schools

**Ed Raymond**

**Ed Raymond** is currently the Assistant Superintendent of Human Resources with the Wichita Public Schools. Ed has a BA from Wichita State University in English and Education, a MA from Kansas University in communications, and both building level and central office licenses from the State of Kansas. Wichita Public Schools is a district with close to 50,000 students and over 8,000 employees. The Human Resources Division has responsibility for providing all human resource functions as well as self-funded health care, self-funded workers compensation, and self-funded property and causality insurance. Ed began teaching English and coaching sports in WPS in 1972. Since that time he has been a Department Chair, Assistant Principal, Building Principal, Director of Transportation, Executive Director of Auxiliary Services, and Division Director of Operations. He has been in his current role of Assistant Superintendent for the past five years. He has a strong background in systems reorganization and quality improvement in education. Ed is frequently asked to speak at local and state programs focused on human resources organization, operation, teacher recruitment, alternative compensation and quality improvement. He serves on several local and state boards including; Wichita State University Dean's Advisory Committee, Visioneering Wichita, Wichita Chamber of Commerce Personnel Directors Committee, and is a member of American Association of School Personnel Administrators and Society for Human Resource Management.

**Katrina Robertson Reed**

**Katrina Robertson Reed** is the retired Chief Human Resources Officer from the Dallas Independent School District.

**Sue Wybraniec**

**Sue Wybraniec** is the Executive Director of Human Resources for the Tucson Unified School District. Prior to her service at TUSD, she served in various capacities at Maricopa County in Phoenix, AZ and as HR Director participated in the Government Performance Project, Rating the Counties, a program of *Governing Magazine*. Her early career was spent working with YWCAs throughout the country and finally providing management consulting services to YWCAs in the western region. She has an M.B.A. and HR Certificate from Keller Graduate School of Management (DeVry University) and a B.A. from Augustana College, Rock Island, Illinois.

**ATTACHMENT B. DOCUMENTS REVIEWED**

- MPS District Web Site
- MPS District Organization Chart
- MPS Human Resources Organization Chart
- Action Plan to Improve MPS 2007-2012
- MPS Budget Report FY 2007
- MPS Budget Report FY 2008
- MPS Budget Proposed FY 2009
- MPS Survey of Central Office Job Satisfaction and Morale Report 2008
- MPS Board Policies
- MPS Administrative Procedures
- MPS Union Contracts
- MPS Job Descriptions
- MPS HR Goals, Accomplishments and Strategies 2007, 2008 and 2009
- MPS HR Budgets FY 2007, 2008 and 2009
- MPS HR Functional Self Assessment Survey (APPAGA)
- MPS Benefits Enrollment Packet
- MPS Administrator' Bulletin August 2008
- MPS HR Procedures for Employment and Job Postings
- MPS HR On-line Employment Application Process
- MPS HR New Teacher Monthly Orientation Packet
- MPS Analysis of Fringe Benefits Survey 2008



**ATTACHMENT C. INDIVIDUALS INTERVIEWED**

- William Andrekopoulos, Superintendent
- Victor Brazil
- Deborah Ford, Executive Director, Human Resources
- Julie Landry, Manager, Certificated Staffing
- Janet Cleary, Manager, Classified Staffing
- Chris Tot, Director, Benefits & Insurance Svcs.
- Stephanie Brandt, Supervisor, Employee Benefits
- Donna Edwards, Admin. Asst., Leaves
- Therese Freiberg, Director, Labor Relations
- Debra Rash, Employment Compliance Officer
- Mary Ellen Ruzga, Staffing Specialist
- Joseph Chiusolo, Staffing Specialist
- Maria Ayala Smith
- Melissa Bonds, Coordinator, Mentor/Induction
- Al Correa, Administrator, HR Management Systems
- Suzi Engelbart, Compensation Analyst
- Lisa Johnson, Data Analyst
- Cindy Radloff, Compensation Assistant
- Lillie Vance, Compensation Assistants
- Bernadine Cosey, Specialist, Classified Staffing
- Candice Hoze, Personnel Analyst
- Linda Besting, Senior HR Assistant
- Patricia Fauteck Coordinator, Health & Productivity Management
- Himanshu Parikh, Pension Specialist
- James Gorton, Administrative Law Specialist
- Kristin DeCato, Insurance & Risk Management Spec.
- Robert Crouthamel, Safety Specialist
- Nancy Chiu, HR Assistants
- Ellen Rozinski, HR Assistants
- Tara Hubbert, Accountant
- Adria Maddaleni, Labor Relations Specialist
- Cleo Rucker, Labor Relations Specialist
- David Yaros, Labor Relations Specialist
- Nancy Lorenz, Labor Relations Analyst
- Michelle Nate, Chief Financial Officer
- James Davis, Director of Technology
- Division Heads or Representatives for Bilingual/Multicultural Education, Early Childhood Services, Teaching & Learning, Professional Development, Career & Technical Education, Facilities & Maintenance, School Business Services, Pupil Transportation, School Nutrition Services, School Safety
- Building Principals (12)

## **Review of Human Resource Operations in the Milwaukee Public Schools**

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- Union Leadership

**ATTACHMENT D. ABOUT THE COUNCIL**

**Council of the Great City Schools**

The Council of the Great City Schools is a coalition of 66 of the nation's largest urban public school districts. Its board of directors is composed of the superintendent of schools and one school board member from each member city. An executive committee of 24 individuals, equally divided in number between superintendents and school board members, provides regular oversight of the 501(c)(3) organization. The mission of the Council is to advocate for urban public education and assist its members in the improvement of leadership and instruction. The Council provides services to its members in the areas of legislation, research, communications, curriculum and instruction, and management. The group convenes two major conferences each year, conducts studies on urban school conditions and trends, and operates ongoing networks of senior school district managers with responsibilities in areas such as federal programs, operations, finance, personnel, communications, research, and technology. The Council was founded in 1956 and incorporated in 1961 and has its headquarters in Washington, D.C.

**Review of Human Resource Operations in the Milwaukee Public Schools**

**History of Strategic Support Teams Conducted by the  
Council of the Great City Schools**

City	Area	Year
Albuquerque	Facilities and Roofing	2003
	Human Resources	2003
	Information Technology	2003
	Special Education	2005
	Legal Services	2005
	Safety and Security	2007
	Anchorage	Finance
Communications		2008
Atlanta	Facilities Operations	2009
Birmingham	Organizational Structure	2007
	Operations	2008
Boston	Special Education	2009
Broward County (FL)	Information Technology	2000
Buffalo	Superintendent Support	2000
	Organizational Structure	2000
	Curriculum and Instruction	2000
	Personnel	2000
	Facilities and Operations	2000
	Communications	2000
	Finance	2000
	Finance II	2003
Bilingual Education	2009	
Caddo Parish (LA)	Facilities	2004
Charleston	Special Education	2005
Charlotte-Mecklenburg	Human Resources	2007
Cincinnati	Curriculum and Instruction	2004
	Curriculum and Instruction	2009
Christina (DE)	Curriculum and Instruction	2007
Cleveland	Student Assignments	1999, 2000

**Review of Human Resource Operations in the Milwaukee Public Schools**

	Transportation	2000
	Safety and Security	2000
	Facilities Financing	2000
	Facilities Operations	2000
	Transportation	2004
	Curriculum and Instruction	2005
	Safety and Security	2007
	Safety and Security	2008
	Theme Schools	2009
<b>Columbus</b>		
	Superintendent Support	2001
	Human Resources	2001
	Facilities Financing	2002
	Finance and Treasury	2003
	Budget	2003
	Curriculum and Instruction	2005
	Information Technology	2007
	Food Services	2007
<b>Dallas</b>		
	Procurement	2007
	Staffing Levels	2009
<b>Dayton</b>		
	Superintendent Support	2001
	Curriculum and Instruction	2001
	Finance	2001
	Communications	2002
	Curriculum and Instruction	2005
	Budget	2005
	Curriculum and Instruction	2008
<b>Denver</b>		
	Superintendent Support	2001
	Personnel	2001
	Curriculum and Instruction	2005
	Bilingual Education	2006
	Curriculum and Instruction	2008
<b>Des Moines</b>		
	Budget and Finance	2003
<b>Detroit</b>		
	Curriculum and Instruction	2002
	Assessment	2002
	Communications	2002
	Curriculum and Assessment	2003
	Communications	2003
	Textbook Procurement	2004
	Food Services	2007

## Review of Human Resource Operations in the Milwaukee Public Schools

	Curriculum and Instruction	2008
	Facilities	2008
	Finance and Budget	2008
	Information Technology	2008
	Economic Stimulus	2009
Greensboro		
	Bilingual Education	2002
	Information Technology	2003
	Special Education	2003
	Facilities	2004
	Human Resources	2007
Hillsborough County (FLA)		
	Transportation	2005
	Procurement	2005
Indianapolis		
	Transportation	2007
Jackson (MS)		
	Bond Referendum	2006
Jacksonville		
	Organization and Management	2002
	Operations	2002
	Human Resources	2002
	Finance	2002
	Information Technology	2002
	Finance	2006
Kansas City		
	Human Resources	2005
	Information Technology	2005
	Finance	2005
	Operations	2005
	Purchasing	2006
	Curriculum and Instruction	2006
	Program Implementation	2007
	Economic Stimulus	2009
Los Angeles		
	Budget and Finance	2002
	Organizational Structure	2005
	Finance	2005
	Information Technology	2005
	Human Resources	2005
	Business Services	2005
Louisville		
	Management Information	2005
	Staffing Levels	2009

**Review of Human Resource Operations in the Milwaukee Public Schools**

Memphis		
	Information Technology	2007
Miami-Dade County		
	Construction Management	2003
	Food Services	2009
	Transportation	2009
	Facilities	2009
Milwaukee		
	Research and Testing	1999
	Safety and Security	2000
	School Board Support	1999
	Curriculum and Instruction	2006
	Alternative Education	2007
	Human Resources	2009
Minneapolis		
	Curriculum and Instruction	2004
	Finance	2004
	Federal Programs	2004
Newark		
	Curriculum and Instruction	2007
	Food Service	2008
New Orleans		
	Personnel	2001
	Transportation	2002
	Information Technology	2003
	Hurricane Damage Assessment	2005
	Curriculum and Instruction	2006
New York City		
	Special Education	2008
Norfolk		
	Testing and Assessment	2003
Philadelphia		
	Curriculum and Instruction	2003
	Federal Programs	2003
	Food Service	2003
	Facilities	2003
	Transportation	2003
	Human Resources	2004
	Budget	2008
	Human Resources	2009
	Special Education	2009
Pittsburgh		
	Curriculum and Instruction	2005
	Technology	2006
	Finance	2006

## Review of Human Resource Operations in the Milwaukee Public Schools

Providence		
	Business Operations	2001
	MIS and Technology	2001
	Personnel	2001
	Human Resources	2007
Richmond		
	Transportation	2003
	Curriculum and Instruction	2003
	Federal Programs	2003
	Special Education	2003
Rochester		
	Finance and Technology	2003
	Transportation	2004
	Food Services	2004
	Special Education	2008
San Diego		
	Finance	2006
	Food Service	2006
	Transportation	2007
	Procurement	2007
San Francisco		
	Technology	2001
St. Louis		
	Special Education	2003
	Curriculum and Instruction	2004
	Federal Programs	2004
	Textbook Procurement	2004
	Human Resources	2005
Seattle		
	Human Resources	2008
	Budget and Finance	2008
	Information Technology	2008
	Bilingual Education	2008
	Transportation	2008
	Capital Projects	2008
	Maintenance and Operations	2008
	Procurement	2008
	Food Services	2008
Toledo		
	Curriculum and Instruction	2005
Washington, D.C.		
	Finance and Procurement	1998
	Personnel	1998
	Communications	1998
	Transportation	1998



**Review of Human Resource Operations in the Milwaukee Public Schools**

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	Facilities Management	1998
	Special Education	1998
	Legal and General Counsel	1998
	MIS and Technology	1998
	Curriculum and Instruction	2003
	Budget and Finance	2005
	Transportation	2005
	Curriculum and Instruction	2007

# Toward a Stronger Milwaukee Public Schools

Excerpts of McKinsey & Company findings on  
Milwaukee Public Schools District. Contents include  
Methodology and Executive Summary. Full report  
available upon request.

April 2009

## METHODOLOGY

To ensure a balanced understanding of the challenges and opportunities facing MPS, the research team undertook a wide array of activities over the past several months. In addition to interviewing dozens of stakeholders, including school board members, labor leaders, business leaders, local community and nonprofit organization leaders, the team reviewed an extensive set of written reports published in recent years detailing the financial situation and educational performance of MPS.

In developing its findings and options, the team performed many quantitative and qualitative analyses, including the following:

### Direct observations and analyses

- Analyzed MPS' budget to identify historical trends and drivers, with assistance from DPI and MPS staff
- Shadowed 25 maintenance and administrative staff through 15 different schools to identify efficiency improvement opportunities
- Interviewed more than 40 personnel (in finance, purchasing, transportation, food services, facilities and maintenance) to collect data, share analyses, examine options, and assess the performance culture
- Analyzed price variations between current MPS benefit plans for active and retired employees
- Collaborated with the City Assessor's Office to estimate the value of 24 unused facilities owned by MPS
- Analyzed electronic purchasing data and weeks of paper receipts.

### Scenario modeling

- Developed a rough 5-year financial projection for MPS, with technical assistance from MPS and DPI staff
- Developed alternative staffing models for maintenance, administration, and food service based on pilot data, variability in costs, and direct observation
- Modeled savings for various transportation initiatives using detailed MPS and county bus routes, student data, and GIS mapping software
- Modeled scenarios to achieve savings from consolidating underutilized facilities.

### Benchmarking

- Benchmarked several areas of MPS' budget and expenditures against other school districts, both within Wisconsin and beyond
- To the extent possible, compared MPS' academic performance with other Wisconsin and Midwestern districts
- Compared county transit discounts to national benchmarks
- Worked with MPS Purchasing to compare MPS prices for purchased items with external and internal benchmarks
- Compared MPS food purchases with lower-cost alternatives
- Working with city and state offices, compared the cost of MPS benefits packages, eligibility requirements, and costs to city, state, and national HMO and PPO benchmarks
- Benchmarked MPS' current performance management system against the characteristics of high-performing systems and developed options for sustained improvements.

# *Toward a Stronger Milwaukee Public Schools*

## EXECUTIVE SUMMARY

The Milwaukee Public School District faces substantial academic and financial challenges. Unless significant reforms are made soon, MPS will be unable to balance its budget without relying on large property tax increases and classroom cuts. The district's tenuous financial situation will further jeopardize the education of a generation of students already well behind their state and national peers.

The academic challenges facing the district cannot be understated. With the primary exception of increased proficiency in 8<sup>th</sup> grade math and science, student performance has not improved and, in many cases, has worsened over the past 5 years. Reading and math scores in 4<sup>th</sup> and 10<sup>th</sup> grade have gone down, and the gaps between MPS performance and the state average have increased. MPS' student achievement trails the performance of its peers across the state and the nation.

At a time when new strategies and investments are needed to improve student performance, MPS' financial situation is increasingly precarious. Over the past 5 years, the MPS budget has been balanced, and per-pupil expenditures have remained in line with state and national benchmarks – despite increasing expenses and enrollment declines of nearly 10 percent. To make ends meet, MPS has relied, in part, on a significant reduction in its workforce – 17 percent since the 2003-04 school year.

However, these trends are not sustainable. Over the next 5 years, the combination of escalating expenses (estimated at \$110-160 million) and continued enrollment declines (projected to continue at about 2 percent a year, leading to a potential loss of tens of millions in state general equalization aid) will result in a serious financial shortfall that could reach almost \$200 million. Increases in federal funding and state categorical aid may offset some – but not all – of this shortfall.

If unaddressed, this growing financial strain will force MPS to continue increasing its property tax levy to the maximum level possible, while, at the same time, making significant cuts to instruction. To prevent this scenario, action must be taken now to reduce non-instructional expenditures and strengthen performance management.

### SUMMARY OF KEY FINDINGS

The project team identified several key findings for state and local policymakers to consider when moving forward:

- **MPS' per-pupil spending is roughly in line with state and national averages.** The district is not dramatically underfunded compared to its peers, as some would argue, nor is it dramatically overfunded, as other recent reports have claimed. In addition, MPS is roughly in line with national averages in how it allocates its funds: 58 percent to instruction (classroom-

related activities), 26 percent to non-instructional spending (transportation, facilities, food service, etc.), and 16 percent to instructional support services (guidance counselors, library/media specialists, nurses, and other pupil services)

- **MPS' budget pressures are driven primarily by increasing expenses and declining enrollment.** Over the past five years, MPS enrollment has declined by a startling 10 percent, and enrollments are projected to continue to drop at only slightly lower rates in the coming years. The Milwaukee Parental Choice Program has clearly contributed to this decline. Over the next 5 years, declining enrollment and increasing benefits and salaries, along with other rising expenses, will exert the most financial pressure on the district.
- **Over the next 5 years, the budget gap could approach \$200 million.** As a result, failure to change the way the district does business would likely lead to sizable tax increases and cuts in instructional programs at the same time.
- **MPS' financial challenges can be overcome.** Changes in non-instructional operations offer a foundation for stabilizing finances. The project team identified opportunities in purchasing, food service, transportation, administration, benefits, and maintenance and facilities that could reduce costs by as much as \$100 million annually.
- **Robust performance management is essential for driving and sustaining meaningful changes in operations.** MPS does not currently have the structure or performance management systems in place to implement and sustain initiatives that would result in significant non-instructional savings. Substantial reforms in these areas are needed for MPS to be successful.
- **Changes in how MPS spends its non-instructional dollars could strengthen its ability to invest in academic improvements as well.** MPS has seen only limited improvement in student performance in a few areas and significantly lags state and national averages. To dramatically bolster student achievement, MPS will need to pursue new instructional strategies, which will likely require not only a reallocation of current spending but also significant new resources.

#### POTENTIAL OPTIONS TO ADDRESS MPS' FINANCIAL CHALLENGES

Of the options available to address MPS' financial challenges and looming budget gap, improvements to the district's non-instructional operations may have the greatest short-term impact in securing the district's financial future.

Within non-instructional operations, the project team identified opportunities for MPS to save \$58-103 million in annually. This amounts to roughly 15-27 percent of the total \$380 million in non-instructional spending examined. Through a dedicated effort and proper management, most of these savings could be achieved in next 2-3 years.

The majority of the savings identified by the project team could be captured through five initiatives:

- **Purchasing transformation (\$10-15 million)**  
Purchasing in categories such as general supplies, food supplies, IT equipment, and textbooks could be optimized through focused, short-term, data-driven efforts. These efforts could include consolidation of spending, reduction of stock-keeping units (SKUs), and improved management of the central purchasing function. For example, one component of this initiative could focus on increasing use of MPS' primary office supply contract and negotiating better terms.
- **Lean operations and efficiency (\$11-16 million)**  
A lean operations and efficiency initiative could include identifying and rolling out best practices throughout MPS, and optimizing staffing levels and models in administration, food service, and maintenance and facilities. For instance, this might include full implementation of a pre-pack kitchen model to reduce costs and improve productivity.
- **Facilities optimization (\$6-12 million)**  
A facilities optimization initiative would include selling or consolidating selected schools and other buildings to improve utilization. Any such moves would need to be managed with consideration of parent preferences and the academic outcomes of various schools.
- **Transportation optimization (\$7-14 million)**  
Transportation optimization could include the establishment of transportation regions, improved negotiation with the county transportation authority, better utilization of buses, and vendor consolidation/negotiation of more favorable terms.
- **Benefit program redesign (\$23-43 million)**  
A benefit program redesign initiative could involve negotiating with employee groups to maintain employee satisfaction with benefits while reducing costs. Using tools from consumer research, this effort could involve developing a detailed understanding of the preferences among various employee segments as well as the costs of each benefit option and the design of benefits packages around those preferences. Improved vendor negotiation could also lead to savings.

These initiatives (and the underlying sub-initiatives) are *options* available to policymakers, and are not recommended actions. Many considerations, including local economic conditions, would have to be considered prior to implementing these initiatives.

In addition, other state and local policy options could impact district finances and help address MPS' financial challenges. For example:

- **The state could change the Milwaukee Parental Choice Program funding approach.**  
Under scenarios developed by the project team, several policy options could provide the district with an additional \$5-48 million in state aid. This option would not increase the district's overall spending level, but would reduce the local property tax burden.
- **Local leaders could elect to increase property taxes.** Based on current law and trends, MPS will receive an estimated additional \$50-60 million in additional revenue limit authority over the next 5 years. Combined with decreasing state aid due to declining enrollment, these revenue limit increases would allow MPS to increase property taxes by \$100-120 million over

the next 5 years, if the district chooses to tax to the maximum extent allowed under law. This would equate to a nearly 50 percent increase to the current school property tax levy.

- **The district could review instructional operations to identify whether more efficient or effective spending practices could be implemented.** Such a review, which was beyond the scope of this study, could yield sizable savings and opportunities for reinvestment in academic reforms.

#### POTENTIAL ACTION PLAN

Local and state policymakers must determine which of the above options can best bring financial stability to the district. To capture and sustain savings, consideration should be given to launching an operations transformation program and implementing a robust performance management program. In addition, policymakers should consider conducting a thorough diagnostic of the district's academic program.

Launch operations transformation program

To improve the efficiency and effectiveness of the district's non-instructional operations, an operations transformation program to take advantage of some or all the opportunities identified by the project team could be established. A dedicated, short-term effort led by a new and empowered program management office could be implemented to begin making changes and accruing savings immediately.

If properly implemented, the identified \$58-103 million in annual savings could be achieved over the next 2-3 years.

Implement robust performance management system

As part of this study, the team conducted a performance management diagnostic to assess MPS' performance management processes and culture against best practices in public- and private-sector organizations. That diagnostic revealed that MPS lacks the skills and tools needed to successfully manage for performance.

For example, MPS:

- does not have a performance-based culture, which will be required to change behaviors
- uses incomplete performance metrics and targets, without which it is difficult (if not impossible) to evaluate success or identify necessary changes
- relies on poor-quality data to measure progress against performance goals
- maintains a limited or inconsistent focus on improving day-to-day operations.

MPS appears capable of developing initiatives, but it currently lacks the management systems and processes needed to successfully implement and manage the initiatives after they are launched. In order to capture and sustain savings in the non-instructional area, and to set the stage for improvements throughout the district, MPS must have a robust performance management system.

#### Conduct academic diagnostic

While achieving financial sustainability is of critical importance, it is the means to an end: freeing up resources to help improve academic outcomes.

While this study did not focus on instructional operations, policymakers should consider **launching a school system diagnostic to identify and prioritize instructional initiatives geared to boosting student achievement**. This work should focus on the most critical factors impacting student outcomes and benchmark MPS' performance against national and global best practices. Many stakeholders have already put significant effort into developing the MPS "Working Together, Achieving More" strategic plan, which could provide a natural starting point for this initiative. This new diagnostic should also draw on the recent review of the district's academic program by the Council of Great City Schools, as well as on reports and analyses from other stakeholders, including the Greater Milwaukee Committee's Accountability and Support Group and the African American Education Council.



# RAISING THE GRADE

## FAST FACTS ABOUT RAISING THE GRADE

### **A high school degree is a crucial predictor of future success.**

- 90 percent of the fastest growing professions and at least 60 percent of all current jobs require post-secondary education.
- The twenty-five fastest growing professions have far greater than average literacy demands, while the fastest declining professions have lower than average literacy demands.
- The average annual income for a high school dropout in 2005 was \$17,299, compared to \$26,933 for a high school graduate, a difference of almost \$10,000. A college graduate will earn over \$1 million more in their lifetime than a high school dropout.
- On average, high school graduates live longer, are less likely to be teen parents, and are more likely to raise healthier, better-educated children.

### **In spite of decades of warnings, America's educational system is still failing to ensure that the nation's high school students graduate prepared with the knowledge and skills to succeed in life and meet the demands of a changing society and economy - if they graduate at all.**

- Approximately 1.2 million young Americans fail to graduate from high school each year – that's almost 7,000 students who drop out every school day.
- The crisis in our high schools is epitomized by the country's almost 2,000 "dropout factories," which are high schools that produce about half of all high school dropouts.
- 70 percent of eighth graders can't read at grade level, and a mere 3 percent of all eighth graders read at an advanced level.
- Though fourth grade reading scores have risen in the past few years, America's eighth and twelfth grade scores have remained essentially flat since the 1970s.

### **High school graduation rates reflect vast racial and ethnic inequities; the harsh truth is that many minority students are still receiving a lesser education than their non-minority peers.**

- Only about 58 percent of Hispanic students and 53 percent of black students will graduate on time with a regular diploma, compared with 80 percent of Asian students and 76 percent of white students.
- Worse still, only 49.3 percent of American Indian and Alaska Native students in the U.S. graduate with a regular diploma.

- Schools serving a concentration of low-income students (who are often disproportionately minority) have three times more uncertified or out-of-field teachers teaching English and science than higher-income schools.

**Our failure to prepare students to compete in a rapidly transforming, knowledge-based economy threatens the United States' international economic standing, as our young people fall behind in academic achievement compared to their peers in other developed countries.**

- Thirty years ago, the United States was the world leader in the quantity and quality of both high school and college graduates, but our rank has fallen precipitously over the course of the intervening decades as other countries have improved their educational systems.
- In virtually every international assessment of academic proficiency, the performance of United States' secondary students varies from mediocre to poor.
- Though the past few decades have seen a greater percentage of students going to college, our college graduation rate has dropped from 2<sup>nd</sup> in the world to 13<sup>th</sup> in the past ten years.
- 15-year-olds in the United States rank 21<sup>st</sup> in science and 25<sup>th</sup> in math literacy and problem solving among their peers in 30 developed countries.

**The serious neglect of our nation's high schools has tangible social and economic consequences in our communities - in the form of lost taxes, greater strain on social services, increased prison rates, and lost productivity - that directly affect every American.**

- High school graduates are less likely to commit crimes, rely on government health care or use public services such as food stamps or housing assistance.
- Every high school dropout, on the other hand, contributes about \$60,000 less in taxes over his or her lifetime than a person with a high school diploma.
- Over the course of a lifetime, a person who drops out of high school will cost the economy about \$260,000 in unrealized wages, taxes and productivity.
- If the male graduation rate were increased by only 5 percent, the nation would see an annual savings of \$4.9 billion in crime-related costs.
- Cutting the nation's dropout rate in half would result in \$45 billion annually in increased taxes and cost savings to the federal government.

**The good news is that we know that by improving funding and implementing proven tactics, we can change the lives of the 6 million secondary school students in this country who are most at risk of dropping out - and, in the process, change the course of our nation's future.**

- In fiscal year 2007, the federal government appropriated nearly \$18 billion for pre-K through 6<sup>th</sup> grade programs and nearly \$16 billion for post-secondary education, but only about \$2 billion for middle schools and \$3 billion for high schools.
- Investment in early childhood and early elementary education has resulted in corresponding gains on the fourth grade National Assessment of Educational Progress (NAEP) test.
- Increased and well-targeted investment in secondary education will result in a revitalized and more effective system that ensures that all schools have a personalized learning environment, rigorous curriculum, community collaboration and effective leadership.



## The Need to Reform Milwaukee Public Schools (MPS)



**Education**

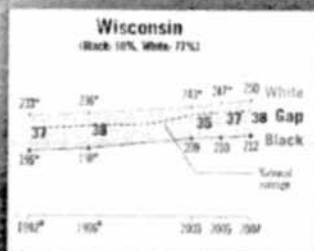
*The key to the doors of opportunity*

Quality of Life,  
Economic Development,  
Equal Opportunity...

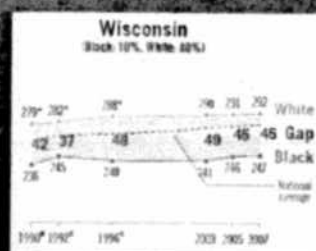


## The Need to Reform Milwaukee Public Schools (MPS)

### Wisconsin Achievement Gap:



4<sup>th</sup> Grade Mathematics  
White & Black Students  
2<sup>nd</sup> Worst Nationwide  
(2009)



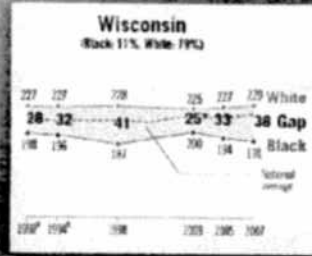
8<sup>th</sup> Grade Mathematics  
White & Black Students  
2<sup>nd</sup> Worst Nationwide  
(2009)

Source: National Assessment of Educational Progress, 2009

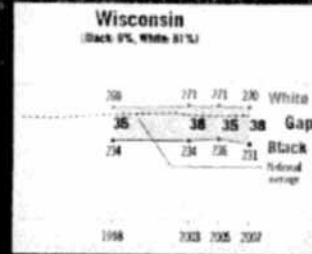


## The Need to Reform Milwaukee Public Schools (MPS)

### Wisconsin Achievement Gap:



4th Grade Reading  
White & Black Students  
2nd Worst Nationwide  
(2009)



8th Grade Reading  
White & Black Students  
Worst Nationwide  
(2009)

Source: National Assessment of Educational Progress, 2009



## The Need to Reform Milwaukee Public Schools (MPS)

### Milwaukee Achievement Gap (Proficient):

10<sup>th</sup> Grade Reading:

- African-American 19%
- White 59%

10<sup>th</sup> Grade Math:

- African-American 31%
- White 65%

Source: Wisconsin Knowledge Concepts Examination 2007-2008



## ***The Need to Reform Milwaukee Public Schools (MPS)***

### **State of Minority Education at MPS**

- Reported MPS Graduation Rate:
  - Education Week: 43.1% (2002-2003)
  - Manhattan Institute: 45% (2002-2003)
  - Americas Promise: 46.1% (2003-2004)
  - MPS: 66% (2003-2004)
- 80% of students who graduate MPS and go enroll at UW of Milwaukee require remedial courses. *(McKinsey Report)*



## ***The Need to Reform Milwaukee Public Schools (MPS)***

### **Elementary and Secondary Education Act (ESEA) Compliance (a.k.a NCLB):**

**STATUS: DISTRICT IN NEED OF IMPROVEMENT:**

"Milwaukee Public Schools has not made adequate yearly progress for five consecutive years in reading and mathematics at the elementary, middle, and high school grade spans.

*Source: Corrective Action Requirements for Milwaukee Public Schools  
District in Need of Improvement Background July 28, 2009,  
Wisconsin Department of Public Instruction*



## ***The Need to Reform Milwaukee Public Schools (MPS)***

### **Additional Concerns:**

- Court finding that MPS systemically failed to provide special education services to children who needed them  
*Source: Jamie S. v. Milwaukee Public Schools*
- \$200 million deficit by 2013 (*McKinsey Report*)
- Study finding HR Department lacking in direction, planning & professional development  
*(Council of Great City Schools, 2009)*
- Student Safety



## ***The Need to Reform Milwaukee Public Schools (MPS)***

### **Why is this important?**

- 90% of fastest growing professions and 60% of all current jobs require vocational or college education  
*(Source: Alliance for Excellent Education)*
- On average, A college graduate will earn \$1,000,000 more over their lifetime than a student that does not complete high school *(source: U.S. Census Bureau)*
- On average, a college graduate will live a longer healthier life than a student that does not complete high school *(source :P. Muennig, Columbia University 2005)*
- U.S. is now ranked 18<sup>th</sup> out of 23 on "quality and quantity" of high school and college graduates.  
*(source: Organization for Cooperation and Development)*



## ***The Need to Reform Milwaukee Public Schools (MPS)***

### **Why is this important?**

High school dropouts cost local, state and federal government an average of \$260,000 over their lifetimes i.e. lost taxes, social programs, health care and law enforcement & detention, (Source: C.E. Rouse, Columbia University)

Male high school dropouts in jail or detention for ages 16-24, 2006-2007:

- African American 22.9%
- Asian 7.2%
- White 6.6%
- Hispanic 6.1% (Source: Northeastern University Study, 2009)



## ***The Need to Reform Milwaukee Public Schools (MPS)***



*Quality of Life,  
Economic Development,  
Equal Opportunity...*

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