

# Footnotes...

FOURTH QUARTER 2009

## Forum embarks on its own strategic planning

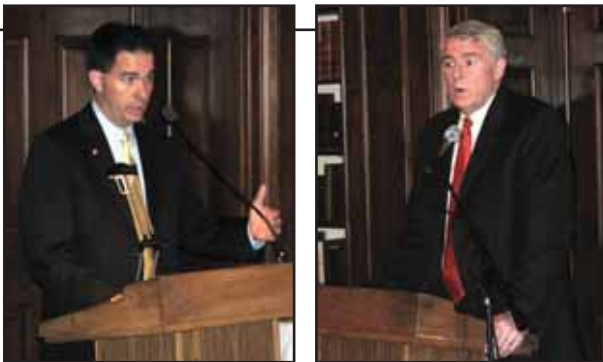
The Forum consistently has urged local government leaders to take stock of their long-term fiscal challenges and develop plans to address them. Taking heed of its own advice, the Forum recently embarked on a planning effort of its own.

In October, the Forum was awarded a grant from the Nonprofit Management Fund to hire a consultant to help with the creation and implementation of a strategic membership/development plan. Sam Macklem, a consultant with more than 30 years of experience working with nonprofits, was retained by the Forum and initiated the planning effort in late November.

“While we have more than held our own on the membership and development front during the economic downturn, it is clear that we need a strategic plan that will help us better market our attributes to existing and prospective members and modernize our overall development efforts,” says Forum President Rob Henken.

The Forum’s application to the Non-Profit Management Fund cited several anticipated plan components, including strategies to attract new corporate, government, and non-profit members; strategies to generate other sources of general operating revenue, possibly including sponsorships, special events, and general operating grants from foundations; and recommendations regarding potential changes in the membership dues structure and membership privileges.

The plan should be completed by the end of February. Stay tuned for details in the next *Footnotes*.



*Budgets top board agenda*

At a breakfast for Forum trustees in October, Milwaukee County Executive Scott Walker (*left*) analyzed his 2010 recommended budget, while at the December board meeting, Milwaukee Mayor Tom Barrett (*right*) did the same. The two leaders explained the difficult fiscal challenges facing both governments and provided insights into their respective governing philosophies.

### A MESSAGE FROM THE PRESIDENT

A few weeks ago, I penned a piece for the *Journal Sentinel's* Sunday Crossroads discussing my hopes and fears for a potential gubernatorial matchup between Milwaukee’s mayor and county executive.



Assuming both men make it through the primaries, I noted the tremendous opportunity “to finally shine a statewide spotlight on the issues facing Milwaukee.” I also voiced concern about the prospects for mud-slinging, but expressed hope that the likeable natures of both men would keep the campaign clean.

From a more parochial vantage point, there’s another twist to a potential Barrett-Walker showdown that is both exciting and worrisome.

In recent years, the Forum has devoted considerable effort to researching key fiscal and policy matters facing Milwaukee’s city and county governments. That work has included our comprehensive fiscal assessments of the two governments, detailed analyses of the 2009 and 2010 city and county budgets, and reports on the county’s transit system and the city’s TIF and economic development policies.

What is exciting is the prospect that our in-depth analyses of city and county issues – which already

*continued on next page*

### Footnotes (published quarterly)

President: Robert E. Henken, M.J.P.A.  
Research Director: Anneliese M. Dickman, J.D.  
Researchers: Jeffrey K. Schmidt; Melissa Kovach, M.P.P.;  
Vanessa Allen, M.P.A.  
Office Manager: Catherine A. Crother  
Editor: Jerry Slaske

633 West Wisconsin Avenue, Suite 406 Phone: 414-276-8240  
Milwaukee, Wisconsin 53203 Fax: 414-276-9962  
[www.publicpolicyforum.org](http://www.publicpolicyforum.org)

*A MESSAGE FROM THE PRESIDENT  
continued from preceding page*

have produced constructive reaction from policymakers in both governments – will receive renewed attention during the course of the campaign. In fact, I can think of no better outcome for any of our research products than to see them help frame the issues for a gubernatorial election.

Tempering this excitement, however, is trepidation that our research will be twisted or distorted. Indeed, the downside of producing thorough analyses of complicated policy issues is that they provide plenty of potential fodder for campaign operatives who may see an opportunity to try to make their opponents look bad.

Obviously, to the extent that we have issued warnings and critiqued the action or inaction of both governments, we stand by our conclusions. We certainly hope, however, that the two campaigns will be responsible in their selective use of our statements, surveys, and research findings. They should be forewarned that we will respond aggressively should that not be the case.

## **Forum meets with Racine leaders on education**

Forum President Rob Henken and Researcher Jeff Schmidt met with Racine leaders in October at the Johnson Foundation Wingspread Conference Center to give the Forum's 12th annual report on the Racine Unified School District (RUSD). The report covering 2008-2009 focuses on long-term historical trends in the district and compares RUSD with nine peer districts (based on similar enrollments) and the state.

Major findings included...

- RUSD student achievement lagged behind state averages in all grades and subjects examined: 3rd, 4th, 8th, and 10th grade reading; 4th, 8th, and 10th grade math. Nevertheless, in all areas except 3rd grade reading and 10th grade math, RUSD scores improved over the previous year.
- RUSD enrollment declined overall, while minority enrollment increased, for the first time surpassing 50% of the student population. Also, for the first time since 2000, RUSD had a decrease in students eligible for free or reduced-price lunch.
- RUSD jumped from seventh to fourth among its peer districts in operations revenue per pupil. It also ranks first in expenditure growth (64%) among its peers since 1998-1999. Statewide, costs grew 45% during the same period.
- RUSD truancy and drop-out rates both grew. After a six-year decline, truancy was 9.1%, while the drop-out rate was 6.6%, the highest since 1999-2000.

Read the complete report at

[www.publicpolicyforum.org/pdfs/2009ComparativeAnalysis.pdf](http://www.publicpolicyforum.org/pdfs/2009ComparativeAnalysis.pdf).

## *Quality child care won't come cheap*

According to the Forum's latest report in a three-year research initiative on early childhood care and education, the estimated annual cost of providing high-quality child care in southeastern Wisconsin would be \$11,500 per child. That's more than double today's cost.

"Providing high-quality early learning environments in child-care centers throughout the region will not be cheap," says Anneliese Dickman, Forum research director. "Yet, the national research shows that it is only those high-quality programs that reap the long-term benefits our region needs most, such as better student achievement and improved graduation rates."

The report provides fiscal estimates on a status quo scenario, a mid-level option, and a high-quality scenario for state policymakers to consider. While the report's estimates include only the seven-county region, the policy decisions likely will be made at the state level.

The Forum's report found...

- The direct costs of operating the region's current system of early childhood care and education are an estimated \$370.5 million annually to serve over 66,700 children. To operate the same size system at a high-quality level would cost an estimated \$700.7 million annually;
- A more modest improvement in quality in the region would result in total direct costs of \$506.2 million;
- While taxpayers pay for direct costs only to the extent that they subsidize costs for low-income families, certain indirect costs are paid for by taxpayers, including

regulation and monitoring of child-care providers. These indirect costs would increase to improve quality in the region and are estimated at almost \$7.5 million during the initial phases of any improvement initiative;

- The long-term economic and social benefits that can result from improved quality care and education are maximized when the care is of the highest quality. In addition, the benefits for at-risk and low-income children are larger than for other children.

"Policymakers need to be aware of the nuances of the cost-benefit equation," says Dickman. "Maximizing quality will maximize costs, but will also be the only chance at maximizing benefits."

The report also analyzes five different models for financing quality improvement initiatives, noting the advantages and limitations of each, as well as pointing out which models could be implemented at the local level.

"The governor and the legislature have child care on their radar screens right now in light of the serious fraud problems that have arisen in the Wisconsin Shares program," she says. "Stamping out fraud in Wisconsin Shares must also involve consideration of how to improve quality. Hopefully, this report's overview of costs and policy options will provide valuable context for upcoming legislative deliberations."

For the full report, go to

[www.publicpolicyforum.org/pdfs/PriceOfQuality.pdf](http://www.publicpolicyforum.org/pdfs/PriceOfQuality.pdf)

# Polling the people

Forum starts asking area residents about public policy issues

In collaboration with UWM's Center for Urban Initiatives and Research and *The Business Journal Serving Greater Milwaukee*, the Forum has begun public opinion polling of Milwaukeeans to gauge their interests in, preferences for, and concerns about public policy. The "People Speak" polls will be done three times annually.

In case you missed them, two sets of results from an October poll already have been released. The first covered questions about how the economy was affecting citizens' purchasing decisions; the second covered transportation issues, including toll roads, high-speed rail, and gasoline taxes.

The poll asked 433 residents of Milwaukee, Waukesha, Washington, and Ozaukee counties about their financial futures. About one-third said they had some trouble paying their bills during the prior six months. Of those, however, 59% were still somewhat or very optimistic about the future. Overall, 64% were optimistic about their financial situations.

With regard to transportation issues, about 50% in three of the four counties favored toll roads, while an increase in the gas tax was supported by less than a quarter in each county. Commuter rail was backed strongly in Milwaukee County only. In addition, there was some support for governance changes and new revenue streams to fund local government, provided reliance on the property tax was reduced.

Check out the *Research Briefs* detailing the results of the poll at [epic.cuir.uwm.edu/peoplespeakpoll/](http://epic.cuir.uwm.edu/peoplespeakpoll/) and look for upcoming sampling on other public policy issues.

## Viewpoint

### Stimulus program stimulates debate

Benefits to region examined

At a December Forum Viewpoint luncheon, representatives from both the public and private sectors gave a spirited analysis of how the almost \$1 trillion federal stimulus plan is affecting southeastern Wisconsin.

The panel, moderated by *Milwaukee Journal Sentinel* reporter Dave Umhoefer, included Pat Goss, executive director of the Wisconsin Transportation Builders Association; Art Harrington, attorney, Godfrey & Kahn; Sharon Robinson, director of administration, city of Milwaukee; State Representative Jeff Stone (R-Greendale); and Mark Wagner, vice president - government relations, Johnson Controls. About 135 people attended the event.

Viewpoint sponsored by:



1) Art Harrington, of the Milwaukee law firm, Godfrey & Kahn, argued that the stimulus has been ineffective because it does not allow the private sector to apply directly for federal funds. 2) Questioning whether the stimulus is simply delaying the day of budget reckoning for governmental entities, State Representative Jeff Stone did say that Wisconsin failed miserably in not having plans for the Zoo Interchange ready to qualify for stimulus money. 3) Pat Goss, of the Wisconsin Transportation Builders Association, said the recent road construction season was one of the best because of the stimulus. 4) Mark Wagner, of Johnson Controls, said a \$299 million advanced battery development project is underway at his company because of the stimulus program. The R&D is being done here in Milwaukee, while manufacturing of the batteries for hybrid vehicles is taking place in Michigan. 5) Sharon Robinson, from the city of Milwaukee, said stimulus money has had a significant impact in helping the city to fill budget holes.

## County government a Forum priority

On Wednesday, January 27, 2010, Forum President Rob Henken will unveil the Forum's comprehensive analysis of potential Milwaukee County governance reform at a breakfast



Photo courtesy of GMC

for Forum and Greater Milwaukee Committee (GMC) members. The study – commissioned by the GMC – will look at the problems the county faces in providing key services and potential restructuring options. “The factual context we give should help officials decide whether to pursue major changes in county government,” says Henken.

Henken spoke (*picture*) at a GMC board meeting on

November 9, reviewing the Forum's progress on research about the fiscal, legal, and logistical issues involved with transferring the various pieces of county government to other government entities, and what options might exist for doing so. He cautioned the audience that the full report must be absorbed in its entirety before any conclusions can be reached.

Forum members will receive details about the January 27 event early in the new year.

*Welcome new members*  
(since October 1, 2009)

- Mortenson Construction
- National Association of Industrial & Office Properties (NAIOP) Wisconsin

# Happy Holidays!

Joy to You & Yours

P.S. Don't forget the Forum in 2010