

# **K-12 Education and the Wisconsin Economy**

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### Introduction

In recent years, several very highly regarded studies have looked at the current status of the Wisconsin economy and have projected the strength of our economy if current trend lines are unchanged. Those projections suggest we are at a major public policy crossroads. If we act quickly and thoughtfully to the realities of the “new economy,” the citizens of Wisconsin can continue to experience the American dream. However, if we fail to accept the challenge that confronts us, our children and our children’s children may face the stark choice of either leaving the state or living in an economically stunted environment.

We applaud the ambitious goal that has been established for the *2000 Wisconsin Economic Summit*: “The creation of a public policy and economic development strategic vision for Wisconsin ... (which) will serve as THE public policy blueprint for the state’s economic future.” We are particularly encouraged by the announced intent to seek opinions from a wide constituency on seven key topics, including “educating the workforce.” We hope and expect the *2000 Wisconsin Economic Summit* will provide an important and long-overdue focus on the role public K-12 education has in contributing to a strong economy. We believe the fate of our economy depends on strong public schools, but it is no less true that public education depends on a strong economy. Further, it seems obvious that our society is at risk if we do not have both strong public schools and a strong economy.

The thesis of this paper is that our K-12 public school system is one of Wisconsin’s most precious economic assets *and* that current public policy in the state threatens the very high quality of those schools. Some may dismiss the arguments presented here as defensive and as evidence of an unwillingness to deal with the “real” problems that exist in our schools. However, K-12 educators recognize that we must continually strive to improve our schools; in fact, we point out here many areas in which reform must occur. That said, we ask the reader to consider the extent to which our students currently perform at or near the top of virtually all national and international measures of educational performance, the reforms we have already undertaken to maintain our world-class status, and the logical effect current state policies relating

to K-12 education will ultimately have on our ability to prepare children and adolescents for entry into adult life and to lead Wisconsin's economy in the 21<sup>st</sup> century. We hope the *2000 Wisconsin Economic Summit* results in public policy initiatives that allow our K-12 schools to continue to be among the most significant positive contributors to the lives of citizens and to the health of our state economy.

### How Does K-12 Education Contribute to a Strong Wisconsin Economy?

Throughout recorded history, wise people have attested to the importance of education. More than 23 centuries ago, Aristotle was asked the extent to which the educated were superior to the uneducated. He responded, "As much as the living are to the dead." Robert M. Hutchings said, "The policy of the repression of ideas cannot work and never has worked. The alternative to it is the long, difficult road of education. To this the American people have been committed." President Kennedy opined, "Our progress as a nation can be no swifter than our progress in education." More recently, but no less eloquently, Frosty Troy, editor of the *Oklahoma Observer*, wrote: "Everything America is or ever hopes to be depends upon what happens in our schools' classrooms."

The United States had a system of free and nearly universal access to public education long before European nations. The common public school, accessible to poor and rich alike, provided the foundation for our republic, was the source of ideas and innovation that led to the Industrial Revolution, and fueled the American economic miracle of the 1990s.

The importance of an educated citizenry is not just an esoteric liberal ideal, but a hard-nosed economic reality. The work of David J. Ward and others is extremely instructive, not only on the causes of the threat that Wisconsin faces in the new economy but also on the critical role of education as an answer to that threat. The "new economic equation" in a knowledge-based economy is simply "brain power = earning power." The startling lifetime gap in earnings between a high school graduate and one who earns a professional degree is more than \$1.5 million.

Wisconsin has an excellent high school graduation rate when compared to other states. Unfortunately, we have a serious problem holding our college graduates (seventh highest in out-migration) and an even more serious problem in attracting college graduates to our state (50<sup>th</sup> in in-migration). The net effect of this “brain drain” on our state is that we rank 29<sup>th</sup> in per-capita income with a total loss in purchasing power of more than \$7 billion annually. Wisconsin is at peril, because we are over-dependent on “old economy” jobs in manufacturing and agriculture and have not sufficiently developed the high-tech, knowledge-based jobs that require a highly educated and highly paid workforce.

We believe the participants in the *2000 Wisconsin Economic Summit* will conclude that Wisconsin cannot have a strong and vital economy unless it has a highly educated workforce. The second obvious conclusion is that we cannot have a highly educated workforce unless we have strong public schools. This is particularly true in light of the fact that Wisconsin apparently has serious difficulties attracting college-educated people. In effect, when it comes to education, we must “grow our own.” A third, and related, conclusion is that if Wisconsin is to attract highly educated people, we must maintain the quality of our schools, because the quality of public education is clearly an important quality-of-life indicator. A vicious circle is forming: unless we maintain our excellent public schools, we will not be able to attract “new economy” businesses to our state, because those businesses will be unable to recruit the highly educated workforce that is required to staff those businesses.

### How Good Are Wisconsin Public Schools?

The data demonstrate that Wisconsin truly does have world-class public schools. On virtually any measure of educational proficiency, our schools stand at or near the top of national and world rankings. Consider the following:

- For the past eight years, our students’ performance has led the nation on ACT college entrance examinations.
- In Wisconsin, scores on the mathematics portion of the Scholastic Aptitude Test (SAT) are as high as they have ever been in the 55-year history of that test. Keep in mind that the first

SAT was given to 46,000 upper-middle-class white males bound for Ivy League universities. Today, more than two million students of every race, gender, and achievement level take the SAT and ACT college entrance exams.

- Wisconsin ranks among the top ten states in percentages of students scoring three or above on Advanced Placement Tests, and the number of students taking advanced placement tests was up 13 percent in 2000 over 1999. During the 1999-2000 school year, 21,697 Wisconsin students took Advanced Placement Tests and 14,920 of those students received a score of three or above.
- On the National Assessment of Educational Progress, Wisconsin students consistently score near the top.
- Nationally, much has been written about U.S. students' poor performance on science and mathematics tests when compared to other countries. However, the National Center for Educational Statistics has done a state-by-state analysis of the Third International Mathematics and Science Study (TIMSS) results for students in the eighth grade. That analysis indicated that only six nations had higher levels of mathematics performance than Wisconsin. In science, only one nation performed at a higher level than Wisconsin.
- Wisconsin's high school graduation rate is in the top 25 percent of states. At the beginning of the last century, less than 6 percent of Wisconsin students graduated from high school. Today, more than 90 percent earn a high school diploma.

Wisconsin public schools have built this record of excellence during an era when our schools have fundamentally changed. For example, as recently as 1975, hundreds of thousands of children throughout the nation were denied entrance to our public schools because of their disabilities. Today, not only do we accept our moral and legal responsibility to enroll those children in school, but we also guarantee their right to receive an appropriate education and to become contributing members of our society and our economy. Further, as waves of immigrants entered America in the last half of the 19<sup>th</sup> century, our rate of illiteracy rose. Well into the 20<sup>th</sup> century, women were discouraged from completing their schooling, and many men found

schooling to be unnecessary for Industrial-Age occupations. Today, in Wisconsin, seven of every ten third graders are proficient or advanced readers, and fewer than 5 percent are in need of remediation.

Clearly our students are more knowledgeable and better educated than ever before. It is no accident that Wisconsin has the best schools in the nation. It is a tribute to our way of life, our work ethic, our progressive tradition, and our commitment to our children and their future. These are the things that make us first in education in the world's most prosperous nation.

### In What Areas Must Wisconsin's K-12 Public Schools Improve?

Even with all our successes, is there room for improvement? Yes, of course there is. K – 12 educators recognize that we must continually strive to improve our schools, in fact, we point out here many areas in which reform must occur.

Some of these problems reflect complex underlying problems in our society; some demand a more collaborative relationship among the business community, our public schools, and other governmental agencies; and some are rightly placed at the doorstep of the staff and leadership of our public schools. All of the problems need to be addressed if our youth are to become fully contributing members of our society and economy.

- We do not need an exhaustive study of our performance to tell us that we have not done a good job of educating students from racial minorities. It is simply unacceptable that while our graduation rate for white students is 93 percent, it is only 55 percent for black students. On a scale of 1 to 36, white students' average score on the ACT is 22.5, while black students' average score is 17.4. Each year, one in eight black students is suspended from school, while only one in 30 white students is suspended. Name the indicator of student performance or student behavior, and the disparity between the majority and most minority populations remains unacceptable and, in some cases, is growing. If anyone is so callous as to not be concerned about the personal welfare of these failing students, they must nevertheless recognize that our economy cannot be strong if it does not prepare *all* students to be a part of our workforce. In this case, self interests clearly coincide with our collective interests.

- Although Wisconsin has a relatively high graduation rate, we need to be concerned, because the graduation rate has been declining in recent years. Similarly, although Wisconsin has a relatively high rate of students enrolling in post-high school education, there is disturbing evidence that this rate has also stabilized or may even have declined in recent years. This represents a serious problem both for the individual and society in the new economy. Our public schools need to do a better job of helping students understand the economic consequences of leaving school before they are fully prepared to successfully enter the workforce. Recognizing the significance of job satisfaction on the quality of life, our schools not only need to prepare students to successfully enter the workforce or postsecondary education, they must also help students to understand the link between educational attainment and career satisfaction. Many educators believe education should be sought for its intrinsic benefits. They are correct, but an education is incomplete if it does not prepare the student for the workforce and does not help the student contribute to the economic well being of society.
- There are significant inequities in the performance of Wisconsin school districts. In our largest city, Milwaukee, the high school graduation rate is only 56 percent. The graduation rate in Milwaukee is 68.5 percent for white students and 49.1 percent for both black and American Indian students. Average attendance in Milwaukee is only 77.2 percent, with 45.1 percent of students being habitually truant. The good news is that we have built accountability systems that can identify low-performing schools. We must now take aggressive actions to ensure that all schools are able to help students achieve to high standards.

- Worker-productivity data demonstrate that Wisconsin citizens have an extremely strong work ethic. In fact, the data suggest it is largely because we lead the nation in the number of employed women and other workers holding more than one job that our economy continues to be reasonably strong. Our schools need to help students better understand that they can compete more effectively in the new economy if they work both harder *and* smarter. To work smarter, they must intentionally prepare themselves for the high-skills/high-wage jobs of the new economy. They need to receive instruction and guidance on the nature of “new economy” jobs and the high school coursework that will prepare them for those jobs.
- We need to establish a more positive and collaborative relationship among K-12 public education, the vocational/technical colleges and the university system, and business and industry. To be responsive to the needs of the students enrolled in public schools and to the needs of the “new economy,” teachers and administrators must be knowledgeable about and responsive to the rapidly changing expectations of the workforce. In Wisconsin, and across the nation, there is increasing interest in establishing a coherent PK-16 educational strategy. The realities of the “new economy” demand that a high school diploma cannot be regarded as a terminal degree for more than a relatively small minority of our citizens. Too often, our K-12 and postsecondary education systems plan and act independent of each other, and our children and our economy pay the price of that failure. The Education Commission of the States has succinctly and accurately identified the goal of PK-16 collaboration: “To create a system of education that begins in early childhood and ends after college, and promotes access, standards, accountability and lifelong learning.” We are, at least, taking cooperative steps to respond to this need. The Department of Public Instruction recently received approval for a federally funded project to assist in accomplishing needed reforms. This funding has been transferred to the UW System. We are also working with other systems to align course content in high school exit-level courses and postsecondary entry-level courses; the new teacher licensing standards require close collaboration among systems; and we have worked together to build a technology infrastructure that can be used across systems.

Although public education must establish a more collaborative and mutually supportive relationship with business and industry, that relationship must focus on the needs of students.

We have to recognize, for example, that there sometimes are conflicts between the interests of the student and the school and the interests of the student and business. For example, a conflict exists between the needs of students to focus on their education as preparation for high-skills employment rather than on employment during the school term. A conflict exists as well between the educational interests of the student and the desire of employers to require a later school start date because they need students as both employees and consumers. In all cases, representatives of public education and the workforce need to resolve these kinds of conflicts to the advantage of the *long-term* interests of students and the economy. In this regard, we believe individuals, business, and the broader society have a common interest.

- There is broad consensus that public schools in Wisconsin and across the nation need to make a stronger commitment to improving the professional skills of teachers and administrators. The 1999 National Education Summit, co-chaired by Governor Tommy Thompson, identified several challenges to improving the quality of public education. The first challenge states, “To ensure a high quality teacher in every classroom . . . [we] will . . . target our professional development resources on programs that give teachers the content knowledge and skills to teach to higher standards, and school leaders the skills to improve instruction and manage organizational change.” The second challenge states, “To help all students to meet higher academic standards . . . [we] will . . . ensure that every school has in place a rigorous curriculum and professional development program aligned with state standards.”

### What are the Threats to Wisconsin’s World Class Schools?

The history of public education in the United States and Wisconsin has been marked by a series of periods of constructive criticism and self-examination. However, since the publication of *A Nation At Risk* in 1983, the bond of trust and respect between public education and significant elements of our society has been broken. The release of this report, more than any other event, marked the beginning of a cycle of blaming and scapegoating public education that continues to this day. The thesis behind *A Nation At Risk* was that America was losing out in the global economy, and that the condition could be traced to a failure of our public schools. The report’s authors argued that the graduates of our K-12 schools were simply not prepared to compete with their peers from other nations, particularly Germany and some of the nations of Southeast Asia.

Remarkably, only a few years later, during the 1990s, with America clearly at the top of the world economy, there was no lessening of the criticism of our schools. In 1991 America began an unprecedented economic expansion that has outpaced every major economy in the world. Our creation and application of new technology has generated productivity gains that are the envy of the world. Many of the workers who are creating and applying the latest technological advances to new products and new businesses, taking the risks, and creating new wealth were in our public schools in 1983. Despite the economic reversal of the 1990s, in some quarters, the criticism of our schools remains at a fever pitch, and knee-jerk public policy proposals in the state threaten the very system of education that contributed to our phenomenal economic success.

Unlike previous periods of perceived crisis, the criticism of our schools today has not resulted in a reinvestment of resource and political commitment to public education. After the Soviet Union launched Sputnik in 1957, there was unparalleled concern expressed over the condition of public education. That concern, however, was expressed more as a form of collective soul searching as opposed to a turning away from our schools. The result was an enormous state and federal reinvestment in public education.

We believe that by far the greatest threat to Wisconsin's tradition of educational excellence comes from a dissipation of political support for our public schools. That lack of support is reflected in a series of policy decisions that are having both an immediate and long-term negative effect on our schools. It is ironic that, given the quality of our schools, nowhere in the nation is there a more fundamental political challenge to our American tradition of supporting "common schools for the common man for the common good" than in Wisconsin. For example, in the November 2000 elections, Michigan and California voters overwhelmingly defeated private school voucher referenda proposals. Citizens in Wisconsin were never given the opportunity to directly vote on private and religious school choice proposals, and it is unlikely they would support those proposals if given the chance.

Surveys of parents of children enrolled in public schools in Wisconsin repeatedly demonstrate a high degree of respect among parents for the schools their children attend. However, support of public schools among nonparents is much lower and demonstrates that the steady drumbeat of

uninformed or intentionally misleading criticism of the schools is having an effect on those who have no tie to the school and consequently cannot see firsthand that the criticism is often unfounded.

The criticism of public education is manifested in three political initiatives that, in combination, are beginning to have a highly negative effect on our schools and their ability to educate our children:

- **Qualified Economic Offer** — In 1998, Wisconsin teachers earned \$10,000 less than other Wisconsin workers with college degrees (Education Week, 1/12/00). During the same timeframe, Wisconsin teachers with master's degrees earned \$17,250 less than other Wisconsin workers with the same degrees. At one time, teachers were willing to take less than market rate for their work, because they held a position of public trust and respect. Today, increasing numbers of prospective teachers ask who in their right mind would pursue a profession that not only doesn't pay a reasonable salary but is too often not respected for its contribution to the public good. In the past few years, there has been a dramatic reduction in the number of applicants for teaching jobs, even in the most sought-after communities in the state. Against the backdrop of looming shortages, other states are increasing salaries for teachers, paying signing bonuses, and establishing other incentives. Wisconsin simply will not have world-class schools if we do not pay teachers a competitive wage and restore balance to the public rhetoric about our schools. U.S. Secretary of Education Richard Riley has correctly said, "We will never really improve American education until we elevate the teaching profession and come to grips with the issue of teacher compensation."

In the recent past, our state legislature significantly increased the level of state school aids. Unfortunately, because of state-imposed revenue limits, most of that increase in school funding is actually represented as property tax relief rather than additional funding for schools. The legislature has, however, provided targeted fiscal support to two initiatives that do help local schools improve the quality of instruction. That support has come in the form of funding of the SAGE class-size reduction initiative and increased funding for special education.

- **Revenue Limits** — To be sure, some school districts in Wisconsin are still able to fund world-class educational programs. For many others, revenue limits make it impossible to attract teachers, effectively offer a comprehensive educational program, maintain reasonable pupil/teacher ratios, and to both maintain physical plants and educate children. Huge increases in educational spending are neither necessary nor desirable; however, an urgent need exists to be more flexible in allowing school districts to increase their budgets to respond to legitimate educational needs.
- **Private School Choice/Vouchers** — The danger of private school vouchers isn't limited to the few thousand children receiving public funding to attend private schools. It is, instead, the tens or hundreds of thousands of vouchers that might be awarded tomorrow. It gives the illusion that there is a quick and easy solution to the problems that confront our schools. Private schools are not required to accept children with disabilities, children who present difficult emotional or behavioral challenges, or children who don't "fit" for any reason the private school chooses. The "choice" in private school choice/voucher programs belongs at least as much to the private schools' right to choose which students to educate as it does the parents' right to choose that school for their child. Publicly funded private schools do not need to report to the public the same kind of student performance data that they use in criticizing the performance of public schools. Publicly funded private schools do not need to adhere to the legitimate performance standards that apply to public schools. They do, however, significantly increase the per-pupil cost and the challenges faced by public schools that now have a higher density of difficult and high-cost students at the same time they are left with a reduced level of funding and public support.

Louis V. Gerstner, chair and CEO of IBM Corporation and co-chair of the 1999 National Education Summit, recently made some profound statements about private school vouchers. He said, “There is a big difference between deciding which kids get a seat in a lifeboat, and saving the ship. It’s either very naïve, or enormously risky, to think we can abandon the public school system and replace it with some other alternative. . . . Second, and more important to me, the fundamental premise of our democratic system of government is based on citizens educated in a vibrant, healthy system of free public education. If our schools don’t work, our country won’t work. So the objective here must be to fix the system. The objective is not to build a few special schools or help a few, or even a few thousand, selected children. To help all the children – and that must be our objective – we have to begin with a commitment to fix our problem, not wire around it.”

#### A Constructive Agenda for Improving Wisconsin K-12 Schools and the Wisconsin Economy

- **Strong accountability for everyone.** In Wisconsin, through a collaborative effort, we have recently put in place the structure for an accountability system that will provide the public and policy makers with information on the performance of both our students and our schools. *All* children must be able to attend high-quality schools, and we must hold all students and all schools accountable for their educational performance. The building blocks of Wisconsin’s accountability system include:
  - Model state academic standards in 18 curricular areas.
  - Model citizenship standards and “standards of the heart.” These standards reflect our belief that the goal of the school is not only to provide students with skills in the basic academic areas but also to help transmit the enduring and almost universal values that make a person “good.” Our standards of the heart lead to citizens who are caring, contributing, productive, and responsible. Examples of the values we are intentionally teaching include courage, honesty, integrity, taking responsibility for one’s actions, and respect for one’s self and others. In many ways, these standards of the heart are as important to workplace success as competence in more traditional academic areas.

- ❑ A comprehensive pupil assessment system that reports the results of assessments to parents and the general public. The purpose of our school accountability system is to not only hold individual students accountable but to hold schools accountable for the extent to which their students perform at high levels.
  - ❑ A sophisticated internet-based system (WINSS, [www.dpi.state.wi.us/sig/index.html](http://www.dpi.state.wi.us/sig/index.html)) of reporting comparative data to the public on student performance within individual school buildings and school districts *and* providing school staff and the general public with easily accessible strategies for school districts on school improvement strategies. Our goal has been to go beyond simply publishing school performance data to also link that data to school improvement strategies. WINSS is an integrated approach to providing information on Wisconsin academic standards, school assessment, data analysis systems, school improvement strategies, and research on best practices in education and successful schools.
  - ❑ Public school choice legislation that gives parents and children an opportunity to enroll in schools they believe more appropriately respond to their educational needs.
- **Elevate the teaching profession.** Wisconsin recently adopted new teacher and administrator preparation and licensing standards that promise to significantly improve the skills of those professionals. A program administrator for the U.S. Department of Education recently noted that our changes in teacher preparation and licensure are expected to be a model for the nation. Those changes must be accompanied by relief from the legislation that artificially restricts teacher salaries below their market value and the legislation that imposes unrealistic and inflexible school revenue limits.

To elevate the teaching profession, and to ensure that children are educated by highly competent teachers, we need to invest in professional development programs that strengthen the skills of teachers and administrators. The new teacher licensing rules are based on nationally respected skill-based standards. Those rules apply to school staff who enter the profession in 2004. It is in our children's interest to use the new state rules as the foundation for new initiatives aimed at strengthening the skills of currently employed teachers and administrators.

- **Support public schools.** It is also time to return to *constructive* criticism of our public schools. Public education does not want, nor deserve, unqualified praise and support. At the same time, if Wisconsin is to grow its economy back to health, it must regard public education as an asset that warrants a reasonable, continued investment. We need to build an atmosphere of public support for our schools. We can learn from Louis V. Gerstner, who is a very strong critic of public schools but who is committed to those schools, because he recognizes that they are the solution to our economic and social problems rather than the cause of those problems.
- **Raise the high school graduation rate and encourage more students to enroll in postsecondary education.** Both of these goals require an intentional and focused effort to educate students and parents on the contributions education can make to the long-term well being of our citizens. They also call for initiatives that better prepare low-achieving and discouraged students for the expectations of postsecondary education. Finally, they may call for strategies that help low-income and disadvantaged students take advantage of Wisconsin's excellent postsecondary educational institutions.
- **Promote a more seamless K-16 educational approach.** We need to establish a more positive and collaborative relationship among K-12 public education, the vocational/technical colleges and the university system, and business and industry. To be responsive to the needs of the students enrolled in public schools and to the needs of the new economy, teachers and administrators must be knowledgeable about and responsive to the rapidly changing expectations of the workforce.

## Conclusion

Wisconsin is at a public policy crossroads. The path that we take will determine not only the future of our economy but also the future of our public schools. It is crucial to recognize that the future of our schools and our economic well-being are inseparable. Wisconsin faces a bleak economic future unless we make the investments that are necessary to allow our schools to maintain their world-class stature. Participants in the *2000 Wisconsin Economic Summit* have a unique opportunity to reaffirm the state's commitment to public education that was made by previous generations of Wisconsin citizens. We simply cannot afford to miss this opportunity.

