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## New WPRI story: The bureaucratic 'skim' of school funding



CONTACTS: WPRI President Mike Nichols at (262) 389-8239 or Mike@wpri.org; Dan Benson at (414) 225-9940 or Dan@wpri.org

### ***Managing federal education dollars is costing Wisconsin taxpayers millions and benefiting children hardly at all***

**Feb. 15, 2017** – It costs taxpayers more than \$53.7 million a year for hundreds of employees at the Wisconsin Department of Public Instruction to process the hundreds of millions of dollars in federal funds that go to the state's local school districts, Wisconsin Policy Research Institute research shows.

For the 2015-'16 school year, \$877.63 million in federal money flowed from Washington to DPI, according to a September 2015 Legislative Fiscal Bureau [memorandum](#) to state Rep. Joe Sanfelippo (R-West Allis). Of that, more than \$823.8 million was passed through DPI to "subrecipients," mostly the state's school districts, in the form of federal grants such as Title I for disadvantaged students, school lunches, teacher training and other programs.

The rest of the money — nearly \$53.7 million — went to "administration," or, as DPI spokesman Tom McCarthy said in an email, "the operations budget of administering federal programs."

The findings are detailed in a story published today at [wpri.org](http://wpri.org) and available to media for download and publication.

**Previous reporting** by WPRI has revealed that nearly half of state DPI employees — 302 of 634 full-time equivalents — owe their livelihood to the federal government as they execute some 59 federal education-related programs. In addition, DPI manages more federal dollars than any other state agency outside of the University of Wisconsin System and the Wisconsin Department of Health Services, which administers Medicaid.

Today's story points out that the cost of processing federal monies only accounts for DPI and not the cost to about 480 local school districts, nearly every one of which employs staff to manage those dollars and satisfy federal regulations. That cumulative cost to school districts is unknown to state or federal officials.

The Legislative Fiscal Bureau memo also details how some of the \$53.7 million is spent by DPI. In the Finance and Management Division, 80 out of 116 positions, or 68.9 percent, measured as full-time equivalents, are paid by the federal government. Salaries and benefits for those 80 positions total \$6.2 million.

DPI Superintendent Tony Evers' division employs 5.65 FTEs on the federal payroll, at a total cost of \$651,100. Other divisions heavily manned by staff paid from Washington include Learning Support, with 59 out of 69 federal FTEs at a cost of \$5.4 million, and School and Student Success, with 68 out of 86.7 FTEs at a cost of \$5.7 million.

Ted Neitzke, the former superintendent of the West Bend School District with more than 22 years in the education field and now head of the regional education agency CESA 6 in Oshkosh, said the paperwork to administer federal grants in Wisconsin is overwhelming.

"DPI — they got a jillion people working there that are just checking boxes," Neitzke said. "The paperwork — it needs to be checked 52 ways to Sunday."

"The unfortunate fact is that cash does not move to the classroom as fast as it should. We should be results-driven, not compliance-driven."

The fact that the flow of tax dollars starts in Wisconsin and passes through Washington before returning to Wisconsin classrooms, minus the bureaucratic cost, troubles Neitzke.

"You send them a dollar, they (Washington) send you thirty cents back," he said. "It's an ancient, antiquated process."

Today's story is written by Dan Benson and Dave Daley. Benson is a former reporter and editor with the Milwaukee Journal Sentinel and Gannett Wisconsin. Daley is a former reporter for the Journal Sentinel. Their story was published as part of WPRI's Project for 21st Century Federalism, which focuses on the growth and coercive effects of the federal grants-in-aid system.