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Note: The attached information on AB 837 was included with the 2001 AC-CC hearing records but it does not appear that the committee held a hearing on the bill.

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2001-02

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on ... Corrections and Courts (AC-CC)

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: Mike Barman (LRB) (May/2012)



FEB 21 2002

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February 21, 2002

AB 837
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The Honorable Scott Walker
PO Box 8953
Madison WI 53708-8953

Dear Representative Walker:

Please find enclosed a copy of the report that was done by the MTEA Freedom of Residency Committee

I hope it will be helpful.

Sincerely,

Robert Anderson
Assistant Executive Director

THE MPS RESIDENCY REQUIREMENT

SHOULD THOUSANDS OF MPS STUDENTS BE TAUGHT BY INDIVIDUALS WITH NO CERTIFICATION WHO ARE MILWAUKEE RESIDENTS OR BE TAUGHT BY CERTIFIED TEACHERS WHO MAY OR MAY NOT RESIDE WITHIN THE CITY LIMITS? EDUCATIONALLY, WHICH CHOICE WOULD YOU PREFER?

“MPS’ hiring troubles may mean it’s time to let teachers live anywhere.”

**Mayor John Norquist
Milwaukee Journal Sentinel
August 13, 2001**

Milwaukee 2001-02

According to a *Milwaukee Journal Sentinel* article on August 13, 2001, MPS had found only 280 of the 800 certified teachers it needed to hire for the fall. As of August 27th, the start of the fall semester, MPS had staffed the vacancies by hiring 163 regular education interns, 128 special education interns, along with another 208 individuals in the process of applying for a teaching permit (permit teachers have a college degree, but are not certified in a subject area) for the 2001-02 school year. In addition, MPS still had to fill 113 classrooms with substitute teachers. Combining the interns, permit teachers and substitute teachers, there were 612 classrooms being filled at the start of the school year by people either with no certification, teaching outside of their certification area or a substitute teacher. This situation would not be tolerated in any other school district in the state. Many current and former MPS teachers are convinced that one of the main reasons MPS has difficulty attracting and retaining teachers is because of the residency requirement. Even Mayor Norquist is quoted in the *Milwaukee Journal Sentinel* saying that MPS’ hiring troubles may mean it’s time to let teachers live anywhere. We agree.

WHEN THE RESIDENCY ISSUE CAUSED A SIMILAR STAFFING PROBLEM IN PENNSYLVANIA, THE PENNSYLVANIA GENERAL ASSEMBLY TOOK ACTION.

Pennsylvania Legislature Eliminates Residency

On June 21, 2001, the Pennsylvania General Assembly took away the right of the state’s two largest school districts, Philadelphia and Pittsburgh, to require that their teachers live within city boundaries. Legislators said removal of the long-standing residency requirement was necessary to alleviate a critical shortage of qualified educators. Philadelphia expected to need at least 650 new teachers for the start of the 2001-02 school year, and it never filled all of its vacancies the past year – leaving thousands of students in classes with uncertified teachers. According to the *Philadelphia Inquirer*, several studies have shown that job applicants cited the residency requirement as a major deterrent to taking a teaching job in the city.

Philadelphia 2001-02

According to officials from the Philadelphia Federation of Teachers, the elimination of the residency requirement has had a positive effect on filling vacant positions with certified teachers for the current 2001-02 school year. There are virtually no vacancies at the elementary level, and fewer than a hundred at the secondary level in hard to find certifications such as math and science. This compares to hundreds of unfilled vacancies in recent years.

MPS WON'T RELENT ON RESIDENCY REQUIREMENT

For several years the MTEA has attempted to bargain the residency requirement issue. MTEA proposals have included:

- Residency within Milwaukee County
- Residency within Chapter 220 Districts
- After five years of required residency, teachers would be allowed to live anywhere.
- Teachers bound by the residency requirement could buy out of the requirement by giving up future early retirement benefits.

All of these attempts to bargain the residency requirement issue were unsuccessful.

The residency requirement issue went to arbitration in 1994. Arbitrator Ray McAlpin issued his award and selected the school board's position to maintain the residency requirement. However, in his decision, Arbitrator McAlpin wrote:

"Before the award is made in this matter, this Arbitrator would like to speak directly to the Association and to the Milwaukee Board of School Directors. The results of this case should, hopefully, not be viewed in terms of win or lose. As noted above, the Arbitrator is severely constrained by the requirements of the statute. This issue will not go away. It is already a top priority for teachers in this unit and will become an even more difficult flash point as a larger and larger percentage of the bargaining unit becomes impacted by this provision. It behooves both sides to meet and confer voluntarily to make a sincere effort to find a creative solution to this dilemma. It is difficult not to be touched by the heartfelt testimony of many of the Milwaukee Public School teachers and teachers from other communities who testified during our long series of hearings. There must be some way to accommodate their needs and the needs of the system and Milwaukee at the same time. If the Parties put as much effort into reaching a creative alternative to this dilemma as they did in preparing for and presenting their cases in this matter, surely a resolution can be found."

MTEA PUTS FORTH GOOD FAITH EFFORT TO ASSURE QUALITY CERTIFIED TEACHERS IN ALL CLASSROOMS.

For several years the MTEA has been criticized by the local media for its positions on the residency requirement, seniority and protection of teachers. Opponents of the MTEA have said, if teachers want to get rid of the residency requirement, teachers will have to modify their positions on seniority and protection of "bad" teachers. In fact, the MTEA has made significant modifications on these issues as illustrated below. However, the Milwaukee Board of School Directors still fails to acknowledge that the residency requirement hinders MPS' ability to attract and retain certified teachers.

What has the MTEA done to assure quality certified teachers are in our schools?

Over the past ten years, the MTEA has taken the initiative to work with the administration, universities, and the business community, to attempt to attract and retain quality certified teachers in MPS classrooms. For example:

- MTEC is a program founded by the MTEA, along with MPS, UW-Milwaukee School of Education, and the business community through representatives from the Greater Milwaukee Committee (GMC) and the Metropolitan Milwaukee Association of Commerce (MMAC). One of the goals of MTEC is to prepare and retain new teachers from diverse backgrounds to be successful teachers in the MPS system.
- The MTEA negotiated the Teacher Mentor Program with the Board for the purpose of providing a support system for new teachers. A joint board of teachers and administrators oversee a program that uses experienced, successful MPS teachers to mentor new teachers during their first year with MPS.
- The MTEA negotiated the TEAM Program with the Board for the purpose of providing support and assistance to veteran teachers who are struggling in the classroom. A joint board made up of teachers and administrators oversee a program that uses experienced, successful teachers to work with struggling veteran teachers who have been referred to the program. Teachers either successfully exit the program after one year or are counseled to resign or face termination proceedings.
- The MTEA negotiated an interview process with the Board to allow school interview teams made up of an on-site administrator, teachers, and at least one parent to select teachers to fill vacancies at the school. Previously, most transfers were based strictly on seniority and certification.

The MTEA and MBSD negotiated the following changes affecting non-tenured teachers:

Non-Renewal of Non-Tenured Teachers Hired on or After August 28, 1996: (Part IV, Section M of the MBSD and MTEA Teacher Contract.

- First and Second Year Teacher: The administration shall have the authority to non-renew a first or second year teacher provided it has made reasonable efforts at remediation and that its decision is not arbitrary and capricious. A first or second year teacher identified for non-renewal shall be entitled to a conference with the Board. The Board's decision shall be final and binding and shall be served upon the teacher or his/her representative as soon as possible but no later than May 15.
- Third Year Teacher: The administration shall have the authority to non-renew a third year teacher provided it has made reasonable efforts at remediation and that its decision has a factual and rational basis and is supported by a preponderance of the evidence. The decision of the Board may be appealed to arbitration by the teacher in accordance with the provisions of the contract relating to grievance arbitrations.

Regardless of all the above efforts by the MTEA to help assure quality teachers in all classrooms, that include modifications of once sacred issues such as seniority and just cause standards, MPS still refuses to relent on the residency requirement, which teachers believe is a major reason MPS cannot attract and retain enough certified teachers.



AB 837
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**THE ECONOMIC AND FISCAL IMPACT
OF ELIMINATING THE TEACHER
RESIDENCY REQUIREMENT**

A Report to the Milwaukee Teachers' Education Association

by

Peter Eisinger, Ph.D.

and

Andrew Reschovsky, Ph.D.

April 1994

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The authors would like to acknowledge the assistance of Carol Wiseman of *Social Metrics, Inc.* for production of the maps in the report, Erin Kehoe of the Applied Population Laboratory at the University of Wisconsin-Madison, Nancy Davenport, Survey Director, Jane Campbell, and Diana Durant of the Wisconsin Survey Research Laboratory, and John Pepper for his very able research assistance.

THE ECONOMIC AND FISCAL IMPACT OF ELIMINATING THE TEACHER RESIDENCY REQUIREMENT

A Report to the Milwaukee Teachers' Education Association

April 1994

This report, commissioned in January, 1994 by the Milwaukee Teachers' Education Association, analyzes the likely economic and fiscal impacts on the city of Milwaukee of eliminating the residency requirement for members of the teachers' bargaining unit in the Milwaukee Public School (MPS) system. The requirement pertains to all teachers hired since February, 1978. Teachers are subject to the residency requirement as a result of their collective bargaining agreement, not by statute.

Of the 6,295 MPS teachers, 3,840, or 61 percent, must live within the boundaries of the City of Milwaukee. Of the nearly 2,455 teachers not bound by the residency requirement, nearly 1,000 chose to live within the city. However, the focus of our study is on the first group, that is, those teachers required to live within the city.

This report addresses two major issues. First, what would the teachers currently required to live within the city do if the residency requirement were eliminated from their contract? Specifically, how many would be likely to move out of the city? Second, what would be the economic, civic, and fiscal impacts on the city and its residents if a substantial number of teachers chose to move from the city to the suburbs in response to the elimination of the residency requirement?

In attempting to answer these questions we have analyzed data from several sources. Our primary source of information comes from a survey we conducted of a random sample of MPS teachers. In addition to asking directly about the likelihood that they would move out of the city, if permitted to do so, we also asked a series of questions to explore the strength of their economic and civic ties to Milwaukee. We also analyzed data on residential mobility and local housing markets taken from the 1990 Census. Finally, we drew upon fiscal data from the Wisconsin Department of Public Instruction and from the Department of Revenue to help us determine the likely fiscal impacts of migration of teachers out of the city.

The report is divided into four major sections: an analysis of the survey of Milwaukee teachers; the presentation of a model of out-migration based on census data; an estimate of the impacts of potential out-migration by teachers on the enrollment in MPS, and a discussion of the fiscal impacts on MPS and on the government of the City of Milwaukee of eliminating the residency requirement. We also include two appendices; one on the survey methodology, and the second presenting the statistical model used to estimate the probability of moving out of Milwaukee.

I. The Potential Out-Migration of Teachers: Evidence from the Survey

In this section we use evidence from the survey to provide an estimate of the number of teachers likely to move out of the city if the residence requirement is ended. We start by describing the survey that we conducted for the purposes of conducting this study.

A. Introduction to the survey.

Random samples of each of three different groups of teachers — those who must live in the city, those who are not required to live in the city but do so anyway, and those who live outside the city — were interviewed by telephone by the professional interviewers from the University of Wisconsin Survey Research Laboratory. WSRL is an arm of the University of Wisconsin Extension in Madison. The survey is described in greater detail in the Appendix 1. Our analysis will deal primarily with the 332 completed interviews of teachers bound by the residency requirement.

Among the teachers for whom the residency requirement is binding, attitudes about the requirement are fairly negative. In fact, nearly a third of these teachers indicated that they have seriously considered resigning from their jobs because of the residency requirement.

Almost half (45 percent) of the teachers affected by the residency requirement say in the survey that they would live elsewhere if they were not required by their contract to live in the city.¹ Only 38 percent are certain that they would still live in Milwaukee even if there were no residency requirement. The remainder were not sure.

Many teachers say that they are dissatisfied enough with the residency requirement that they have considered resigning. Over 31 percent (109 teachers) said they had thought about resigning because of the requirement; 89 of those people said resignation was "likely" or "somewhat likely."²

Discontent over the residency requirement is slightly more common among younger white teachers toward the lower end of the earnings scale.³ The racial difference is relatively sharp: about 68 percent of white teachers say they would be very likely or somewhat likely to move, if the residency requirement were lifted. In contrast, 44 percent of the African-American teachers say they would be likely or somewhat likely to move.

To further clarify teacher attitudes towards the residency requirement, we asked whether they would be likely to move out of Milwaukee in the next couple of years if the requirement were lifted. This was a key question in our analysis. Over half (58 percent, 203 respondents) said that a move was "somewhat likely" or "very likely;" only 35 percent said moving was not likely.⁴ We have designated the former group the "likely movers," and much of our analysis focuses on them.

*** Extrapolating to the entire population of teachers bound by the residency requirement, we can say that the number of likely movers (the somewhat likely and very likely respondents) could be as high as 2,230 individuals and their families.**

We believe, however, that this number is a substantial overestimate of the number of teachers that are likely to move if the residency requirement was eliminated. In general, people who respond to hypothetical survey questions tend to overestimate the likelihood of undertaking any particular behavior. In this case, moving to the suburbs not only requires a willingness to move, but also requires the actual choice of an alternative location and an alternative housing unit. Faced with a choice of actual alternatives, especially when many of the alternatives will involve spending more money on both housing and on commuting, many respondents who have declared themselves "likely to move" will find that staying in their current residence, within the City of Milwaukee will be preferable to moving.

We thus interpret the number of "likely movers" presented above as an upper bound--an indication of the maximum possible number of teachers that would move. Later in this report, we present several additional pieces of evidence that suggest to us that substantially fewer than 2,230 teachers would actually choose to move out of Milwaukee if the residence requirement is dropped. We also attempt to identify how many people are highly likely to move. This number will indicate a lower bound or alternatively, the minimum number of teachers that are probable movers. We will call these individuals *high probability* movers.

Nevertheless, we start our analysis with the larger group of *likely movers*. It is from this pool of people that the out-migrants from the city would probably come. And they turn out to be, as a group, somewhat different from the people who say they would be likely to stay in the city, even if the residency requirement were eliminated.

B. Economic impacts of removing the residency requirement.

One argument for maintaining a residency requirement is to encourage the circulation of the public payroll within the local economy. As public employees spend their earnings on goods and services, they sustain and create local jobs. In order to ascertain the likely impact of the out-migration of teachers on the economy of the city, we asked survey respondents where they shopped for various consumer goods and services. Our interest here is to ascertain the extent to which teachers' salaries are recirculated in the Milwaukee economy, as opposed to the suburban economy.

The teachers were asked where they generally shopped for groceries, clothing, household appliances like TVs and washing machines, and cars. We also asked them whether they tended to go to restaurants located in the city or the suburbs.

Table 1 presents data on the percentage of those teachers who say they generally do their shopping in the city of Milwaukee cross-tabulated with the question regarding the likelihood of a move out of the city if the residency requirement were lifted. Recall that the teachers were designated "likely movers" if they selected the options "very likely" or "somewhat likely" to the question, "If the residency requirement in your contract were eliminated, how likely is it that you would move out of the city of Milwaukee in the next couple of years or so?" Teachers were designated "likely stayers" if they selected the options "Not too likely" or "Not at all likely."

The table tells us first of all that a majority of teachers, whether they say they are likely to move or not, do most of their shopping for groceries and their restaurant-going in the city. However, most teachers shop for clothing, appliances, and cars in the suburbs or elsewhere. As these items are generally expensive, we conclude that Milwaukee teachers, despite the residency requirement, do the bulk of their consumer spending (net of housing) outside the city.

The second thing the table tells us is that the shopping patterns of likely movers and likely stayers are quite different. In every case likely movers are more apt than likely stayers to spend their consumer dollars in the suburbs. This is true not only for expensive durable items, but also, surprisingly, for groceries and restaurant meals.

** What these patterns suggest is that a majority of the people who are likely to move away from the city if the residency requirement is lifted are already oriented, as consumers, to the suburbs.*

This finding mitigates somewhat the impact of lifting the residency requirement on the Milwaukee economy: the people who would in all likelihood leave are already making their major consumer purchases outside the city.

To summarize Table 1, we can say that it is likely that some consumer spending would shift from the city to the suburbs, as people move away. The loss would be disproportionately felt, however, in the market for non-durable goods, such as groceries, where a substantial number of likely movers currently spend their dollars within the city.

It is less clear that ending the residency requirement would generate a major reduction of consumer spending on appliances, clothes, and automobiles. About two-thirds of likely movers already make their purchases of these items outside the city.

Table 1
Consumer Spending Patterns of
Likely Movers and Likely Stayers

% who generally shop in Milwaukee for:	Likely Movers	Likely Stayers
groceries**	78% (145)	90% (101)
restaurants**	52% (105)	71% (87)
clothes*	35% (72)	42% (51)
appliances**	35% (72)	52% (63)
cars***	31% (63)	49% (60)

- * difference between likely movers and likely stayers is statistically significant at the 10 percent level
- ** significant at the 5 percent level
- *** significant at the 1 percent level

C. Associational impacts of removing the residency requirement.

It has often been said that Americans are a nation of joiners: we belong to and are active in an extraordinarily wide variety of clubs, civic associations, interest groups, and so on.

Group membership satisfies individual needs for personal fulfillment: an organization member may derive satisfaction from the friendship of others and from the pleasure of the activity itself. In addition, people who belong to organizations may feel morally or spiritually fulfilled for having served a cause, an interest, or a religious or secular purpose.

Individual membership not only serves personal needs but also the needs of the community. An active organization member may provide a needed public service, leadership, or a role model. Leading a Girl Scout troop, participating in the League of Women Voters, holding union office, campaigning for a city council candidate, working with neighbors to keep the community clean and safe, and taking part in religious organizations are examples of associational or collective involvement that have implications both for the individual concerned as well as his or her community.

When people who are active in community organizations leave the city, they diminish the pool of organizational resources available to the community. The scout troop must find another leader; the neighborhood association may no longer have a vocal advocate; the theater group may lose its lighting specialist; the political party may lose a loyal canvasser.

In the survey we asked the teachers about their involvement in various sorts of community organizations. We asked if people belonged to neighborhood or block associations, and then we asked if they were active in women's organizations, social or sports clubs, youth groups like the Scouts, civic and fraternal organizations, local political campaigns, church, mosque, or synagogue, and any other volunteer organizations that we didn't name.

In Table 2 we report the differences in organizational involvement between the likely movers and likely stayers. The question we sought to answer was: If the residency requirement were removed from the contract, to what extent would the community (the city of Milwaukee or its neighborhoods) suffer a loss of organizational activists, with their leadership skills, civic interest, and sense of involvement?

** Again, just as we found when we examined the consumer buying patterns of Milwaukee teachers, the people who say they are most likely to leave the city if the residency requirement is removed are less attached to the life of the city already. In all but one case in the table (social or sport club membership), the likely movers are less active in organizations than are the people who say they are likely to stay.*

Table 2
Organizational Involvement of
Likely Movers and Likely Stayers

Are you active in:	<u>% saying "Yes"</u>	
	Likely Movers	Likely Stayers
Neighborhood or block association**	22.6% (46)	36.8% (45)
Women's organizations*	11.7% (19)	23.8% (10)
Social or sports club	32.5% (66)	29.5% (36)
Youth organizations	13.3% (27)	18.8% (23)
Local politics***	12.3% (25)	29.5% (36)
Church, mosque or synagogue	62% (126)	67.2% (82)
Other volunteer organizations	21.7% (44)	28.7% (35)

- * difference between likely movers and likely stayers is statistically significant at the 10 percent level
- ** significant at the 5 percent level
- *** significant at the 1 percent level

In all but three of the cases the differences between movers and stayers are not statistically significant, though the direction of the patterns is consistent with our conclusion. That is to say, it is statistically possible that the patterns in the data showing differences in activity in youth organizations, religious institutions, and other volunteer groups are simply random and would turn up differently if we were to conduct another survey.

But in the case of involvement in neighborhood or block associations, women's organizations, and local politics, the differences are statistically significant. There is only a very small chance that these are random results.

Furthermore, the differences between likely movers and likely stayers persist with regard to participation in block associations and political campaigns, even when we control for age and income. That is, the looser associational ties of the likely movers are not a function of youth or lower incomes. In these cases we can be extremely confident in stating that the likely stayers are clearly more involved in the associational life of the community than the likely movers.

To summarize, what we can conclude from the table is that many of the likely movers are already detached from the organizational life of the city, even though they live in it. Their departure would not, therefore, greatly change the depth of the pool of civic and organizational activists in Milwaukee. A disproportionate share of the activist population in the city is made up of people who are unlikely to move.

D. Community ties and the likelihood of moving.

Not surprisingly, people who report that they would likely move out of the city if free to do so are slightly less committed to their homes and neighborhoods than those who say they would likely stay.

Table 3 shows that the likely movers are nearly twice as likely to be renters (46 percent) as are the likely stayers, only 24.5 percent of whom rent. Social science studies have frequently shown that renters are less involved psychologically, socially, and politically in their communities than home owners. This confirms our earlier findings, then, that suggest that the likely movers are less linked to the community already.

Tables 4 and 5 report responses to two questions about how satisfied the respondent is about his or her home and neighborhood. The first question read: "Which of the following best describes your feelings about your [house/apartment/condo/other]? Would you say you are very happy, somewhat happy, somewhat unhappy, or very unhappy with your [house/apartment/condo/other]?" The second question substituted the word "neighborhood" for the reference to dwelling.

Table 3		
Home Ownership Patterns of Likely Movers and Likely Stayers		
	Likely Movers	Likely Stayers
Own	53.7% (108)	75.4% (92)
Rent	46.3% (93)	24.5% (30)

significant at the .1 percent level

Table 4		
How Happy Are You With Your House or Apartment?		
	Likely Movers	Likely Stayers
Very or somewhat happy	84.5% (170)	96% (117)
Very or somewhat unhappy	15.4% (31)	4% (5)

significant at the .1 percent level

Table 5		
How Happy Are You With Your Neighborhood?		
	Likely Movers	Likely Stayers
Very or somewhat happy	79% (158)	91% (111)
Very or somewhat unhappy	21% (43)	9% (11)

significant at the .1 percent level

Interestingly, the tables show that most people are quite happy with where they live, both with their dwelling place and the neighborhood. But even so, differences emerge between the likely movers and the likely stayers. These differences are statistically significant.

** The data show that a larger proportion of likely movers are somewhat less happy with where they live compared to the likely stayers. This finding simply confirms that the likely movers are less tied by sentiment or commitment to the community.*

E. A more stringent estimate of the likelihood of out-migration.

The discovery that the overwhelming majority of people, both likely movers and likely stayers, are generally happy with where they live suggests that perhaps the actual number of people who would move if free to do so might be somewhat smaller than our original estimate of *likely movers*. If people are really happy with their home and neighborhood, as they say they are, why would they move?

Many Milwaukee teachers obviously hold contradictory views: they do not like the constraint of the residency law and they say they would leave if free to do so. But at the same time, most of them say they are happy with where they live.

We identified all those respondents who:

- a) said they would be very likely or somewhat likely to move; and
- b) expressed unhappiness with both their dwelling and their neighborhood.

People who met these conditions we termed the "high probability movers." These people have few ties to bind them to the city.

** These unhappy teachers have the highest probability of moving if the residency requirement is lifted. But there are only 17 people who meet all those conditions in the survey. They represent only 4.9 percent of the sample of teachers bound by the residency requirement. Extrapolating to the entire population of 3,840 teachers bound by the residency requirement, there are only 188 high probability movers.*

Among these 17 people, 13 are renters. In the survey renters are more likely than home owners to express unhappiness with their dwelling (18 percent versus only 6 percent of owners) and with their neighborhood (22 percent versus 12 percent of home owners). Our estimate is that the unhappy renters are the least attached to the city and represent the most footloose group.

Earlier in the report we estimated that as many as 2,230 teachers might leave Milwaukee, based just on their own estimate of the likelihood that they would move if the residency requirement were lifted. This figure represents the high end of the large range of potential movers. We believe, however, that the actual number of movers would be much closer to the low end of the range, that is, the 188 that we calculate above. It is these people who have little to give up in moving.

F. The Influence of Housing Values on Mobility

An important reason, we believe, that the high number of teachers who declared themselves "likely to move" is a huge overestimate is that a move from the City of Milwaukee to one of its suburbs will for most teachers require a substantial increase in the amount of money they must spend for housing. We reach this conclusion by comparing the median value of owner-occupied single-family homes in parts of the City where teachers subject to the residency requirement tend to live with the median value of owner-occupied homes in a set of suburban communities where teachers exempt from the residency requirement tend to reside.

As can be seen by looking at Table 6, in the 10 census tracts within the City of Milwaukee housing the highest numbers of teachers, the median value of single-family homes averages \$77,600. In the 10 suburban municipalities that house the largest number of MPS teachers, the median value of owner-occupied homes averages about \$101,600, nearly \$25,000 more than median values within the 10 city census tracts. When we compare the five city tracts with the highest concentration of MPS teachers with the five suburban municipalities with the highest concentrations of teachers the differences between city and suburban values are even greater; \$68,100 compared to \$107,150.

These cost-of-housing data, which come from the 1990 U.S. Census, suggest that in order to move to the suburbs, most teachers will have to pay more for a suburban house than they will receive from the sale of their house in the city. We believe that when consideration is given to extra commuting costs that residence in the suburbs usually entails, many MPS teachers will choose to remain in their Milwaukee houses even if the residency requirement is ended. This is especially true for survey respondents who indicated they were happy with both their house and their neighborhood.

The survey indicated that slightly under half of those teachers who declared themselves "likely movers" are currently tenants. As we know that most of the teachers who are tenants are also quite young, it is likely that many of them plan to become homeowners in the near future. Despite their stated desire to move to the suburbs if the residency requirement were lifted, we suspect that many of them will be attracted by the relatively inexpensive housing available in the city.

Table 6

Comparison of the Median Value of Owner-Occupied Housing
in Census Tracts within Milwaukee and Municipalities outside Milwaukee

Ten Tracts and Municipalities Where the Largest Number of MSD Teachers Reside

Tracts or Municipalities where the Largest Number of Milwaukee Teachers Reside	Median Value of a Owner-Occupied Home	
	In Milwaukee *	Outside of Milwaukee
1	\$70,200	\$120,647
2	\$66,500	\$144,700
3	\$66,700	\$96,700
4	\$74,100	\$86,121
5	\$63,000	\$87,600
6	\$65,900	\$91,700
7	\$59,700	\$96,112
8	\$175,000	\$107,757
9	\$72,200	\$89,000
10	\$63,300	\$96,057
Average	\$77,660	\$101,639

* Value of Single Family Homes

II. Using Census Data to Predict Out-Migration from Milwaukee

Our survey provides us with a wealth of information, especially about attitudes. It has allowed us to ask *prospective* questions, in particular about mobility plans. In contrast, data from the 1990 Decennial Census provides us with *retrospective* information on mobility. The Census asked respondents where they lived in 1985. Of those who lived in Milwaukee in 1985 and worked in Milwaukee in 1990, some continued to live in Milwaukee in 1990 and some moved out of Milwaukee between 1985 and 1990. By looking in a systematic way at the economic and demographic characteristics of those who remained in Milwaukee and those who chose to move, we can develop an estimate of the probability that a household with certain characteristics will have chosen to move between 1985 and 1990.

We suspect that in general the factors that lead some families to move and others to remain in their current residence will remain largely unchanged between 1990 and now. To the extent that this hypothesis is true, then we can estimate a statistical model of mobility behavior from Milwaukee between 1985 and 1990 and use the estimated coefficients to predict the number of teachers in our survey who would move out of the City if given the chance.

In order to study a sample of individuals who are as similar as possible to MPS teachers, we have selected household heads from the Census "public-use" sample who (in 1990) had the minimum age and income of MPS teachers, i.e. age 27 or older and household income in excess of \$22,000, and were classified by the Census Bureau as "professionals".⁵ Although we would have liked to restrict our sample to those who lived in the City of Milwaukee in 1985 and worked within the City in 1990, data limitations forced us to include in our sample households who lived in Milwaukee County in 1985 and worked in Milwaukee County in 1990.⁶ We use a statistical technique called "logit" analysis to identify the contributions of various personal and household characteristics, such as age and income, to the probability that a household that lived in Milwaukee County in 1985 and continued to work there in 1990 will have moved out of Milwaukee County between 1985 and 1990.

As with standard multivariate statistical analysis (by which we mean ordinary least squares regression), the results of a "logistic regression" indicate the contributions of any specific individual characteristic to the probability of moving, *holding constant the impact of all other factors*. We use logit analysis rather than a more standard linear probability model because the use of logit analysis will guarantee that the predicted probabilities of moving all fall between zero and one.

The results of the logit regression of Census data indicate that the probability of moving is smaller for older household heads and for non-whites. On the other hand, the probability of moving rises as household income rises. Both marital status and the number of children under the age of 18 are included as explanatory variables in the regression. However, the results indicate that they have no statistically significant impact on the probability of moving.⁷

The final step of the analysis is to use the results of the logit analysis of Census data to predict the probability of moving out of the city of each respondent to our survey. The results of this exercise indicate that the average probability of moving is 8.1 percent. It should be pointed out, however, that because the Census data on which this estimate is based is county specific, we misclassify as city residents the 1985 residents of suburban Milwaukee County and count as "non-movers" some city residents who moved from the City to suburban locations within Milwaukee County. However, because over 65 percent of the population of Milwaukee County resides within the City of Milwaukee, we believe that our 8.1 percent estimate of the probability of moving is only biased downward by a small amount. We are thus confident in predicting, on the basis of our analysis of the Census mobility data, that if the residency requirement is lifted, between 10 and 15 percent of teachers will choose (over a period of several years) to move out of the City of Milwaukee.

** This suggests that between 385 (10 percent) and 575 (15 percent) of all teachers subject to the residency requirement would choose to leave the City if the residency requirement is eliminated. Under the assumption that this mobility would occur over a period of about five years, we conclude that each year between 75 and 115 teachers will leave the City.*

It is important to emphasize that this mobility estimate is based on the observed mobility of a set of households who continue to work within the County even after moving to suburban locations outside the county, and who have demographic and economic characteristics similar to those of MPS teachers.

Recall that the survey indicated that about 2,230 teachers said that they were likely to move if the residency requirement was eliminated. At the same time, most of these same teachers indicated that they liked both their current house and neighborhood. When we defined as high probability movers only those who both said they wanted to move and expressed dissatisfaction with their home and neighborhood, the number of probable movers declines to around 188 teachers. Thus the estimate based on Census data of between 400 and 500 movers fits nicely between the two estimates generated by our survey results, and increases our confidence in the accuracy of the Census-based predictions.

III. The Impact on MPS Enrollment of Lifting the Residency Requirement

A. Survey evidence.

A slight majority of the children of teachers who must live in the city attend Milwaukee public schools. The teachers we interviewed had a total of 157 children of school age. Of these children, 84 or 53.5 percent are in city public schools. The remainder attend parochial or private secular schools or public schools in other communities. The question we

ask is: What would the impact be on public school enrollment if the residency requirement is lifted.

As before, we first divided the sample of teachers into likely movers and likely stayers on the basis of their answers to the question on the likelihood of leaving the city if the residency requirement were eliminated. We are not so interested in comparing likely movers and likely stayers as we did before, however. In this section we are concerned about the implications of the actions of the likely movers alone.

Of the 84 children in city public schools (MPS), 50 belong to teachers who told our interviewers that they would be very likely or somewhat likely to leave the city if the residency requirement were lifted. These 50 children belong in fact to a total of 25 teachers, an average of two children in public school per likely mover.

These 25 likely movers represent 7.5 percent of the sample of 332 teachers who are bound by the residency requirement. For the purposes of extrapolation, let us assume that 7.5 percent of the entire population of teachers who are bound by the residency requirement are both likely movers and have children in public schools. They would number $288 (.075 \times 3,840 = 288)$.

Since the likely movers with children in the MPS had on average two kids in school, we must multiply 288 times 2 to determine how many public school children might be withdrawn if their parent-teacher leaves the city. This calculation yields 576 pupils, which is 0.6 percent of the 1994-95 enrollment in MPS.

This figure again is an upper bound. As we have noted before, many of those teachers who say they are likely to leave if free to do so probably will not in fact move. The costs are too high, the disruption too great. In addition, it should be noted that even if this number of children were eventually withdrawn, it would likely be over several years.

To get a lower bound estimate of the MPS enrollment loss resulting from elimination of the residency requirement, we assume that only the teachers we classified as "high probability movers" actually do move. Following a procedure parallel to that outlined above, we estimate that MPS enrollment will decline by only 24 students.¹

B. Estimated MPS enrollment declines based on census data.

On the basis of a statistical analysis of census data, we estimated that approximately over a five year period 500 teachers would choose to move out of Milwaukee if the residency requirement were eliminated. To estimate the impact on MPS enrollment of the departure of 500 teachers, we draw upon the fact that the 203 survey respondents who reported that they were "likely to move" had among them 50 children enrolled in MPS. If we assume this four-to-one ratio of teachers to MPS students, then if 500 teachers chose to move to the

suburbs, MPS enrollment would fall by 125 students. Despite the fact that this is a crude estimate, it falls between the upper bound (576 students) and the lower bound (24 students) estimates of the enrollment drop in MPS that we generated directly from the survey responses.

IV. The Fiscal Impacts of Eliminating the Residency Requirement

A. Introduction.

In this section we explore the potential fiscal impact on Milwaukee Public Schools and on the City of Milwaukee of eliminating the residency requirement. For the purposes of this analysis, we will draw on our results from the logit analysis of Census data and assume that ending the residency requirement will result in approximately 500 teachers choosing to move to suburban locations. Our analysis of fiscal impact will be based on the assumption that the departure of about 100 households per year over the next five years will have no impact on the overall costs of providing public services. To the extent that a small reduction in enrollment and in population will allow MPS and the City government to reduce expenditures, the fiscal impacts of eliminating the residency requirement will be smaller than those suggested in this report.

The major reason why population migration has a fiscal impact on local governments is that out-migration increases the supply of housing units available on the market, either for rent or for sale. Simple economics suggest that, everything else unchanged, an increase in the supply of housing will reduce its price. As the price of housing is reflected (with a lag) in the assessed value of property, an increase in housing supply (in this case attributable to increased out-migration from the city) will inevitably reduce residential assessed values within the City. Since the property tax is the major source of locally-raised revenue for both MPS and the city government, any reduction in assessed values results in less school district and city property tax revenues. Existing revenues can be maintained only by raising property tax rates.

Reductions in property values can also influence the fiscal condition of MPS and the city government because in general, lower values result in increased state aid. Thus, to analyze the overall fiscal impact of a reduction in property values, it is necessary to calculate the direct impact on property tax revenues and also the extent to which these revenue reductions are offset by increased allocations of state aid.

The critical step in estimating the fiscal impact of population out-migration is to determine the magnitude of the reduction in property values directly attributable to the city's population loss. Carrying out this task is difficult and inevitably involves a substantial amount of guesswork. In general, the reduction in property values depend on the nature of the housing market and on the magnitude of the out-migration.

First, it is worth pointing out that the departure of 500 families over a period of several years will not provide a big shock to the housing market. If we assume that slightly over half of these households are currently homeowners⁹ who will place their houses on the market (again, over a period of several years), the overall impact on the price of owner-occupied housing is likely to be small given that in 1990 the City of Milwaukee included over 107,000 owner-occupied housing units. Likewise, the impact on the rental market of approximately 200 new vacancies (caused by teachers moving to the suburbs) out of a rental housing stock of nearly 133,000 rental housing units will also be very small.

Second, discussions with several members of the real estate industry suggests that the current housing market in Milwaukee is currently extremely strong. This is especially true in many of the neighborhoods where teachers tend to live. Most sellers placing houses on the market in these neighborhoods receive at least several offers.

These two observations suggest that the likely impact on property values of an additional 500 families leaving the City will be quite small, if discernible at all. Making a precise estimate is very difficult. Nevertheless, for purposes of estimating fiscal impacts we will assume that the impact of 500 out-migrants will be to reduce residential assessed values within the City of Milwaukee by 4/10th of one percent. As residential property values are currently approximately 52 percent of total property value, we thus assume that as a result of eliminating the residency requirement, the property tax base of the City and MPS might be reduced by 2/10th of one percent (0.002).

We would like to emphasize that we believe that this estimate is probably on the high side. However, this assumption, and our assumption that expenditures will not decline as a result of the out-migration, allows us to provide what we believe is an estimate of the maximum possible fiscal impact of eliminating the residency requirement.

B. The fiscal impact on MPS.

On the (unrealistic) assumption that the entire 2/10th of one percent reduction in property value would occur in a single year, we calculated MPS's loss of property tax revenue based on its current \$12.8 billion equalized property tax base and its 1993 tax rate of 18 mills. The result of this calculation shows a reduction in property taxes of \$461,600.

It is likely however, that some of this reduction will be offset by an increase in state equalization aid. To calculate the change in aid, we draw on our estimate (made in the previous section) that MPS enrollment will fall by 125 students as a result of the out-migration of 500 teachers. Although we expect any enrollment decline to occur over the period of several years, for purposes of our fiscal analysis, we assume all 125 students leave MPS immediately.

We have recalculated MPS's 1993-94 general aid allocation based on the assumption that its equalized property value is reduced by 2/10th of one percent and that enrollment is reduced by 125 pupils.¹⁰ The net result of these changes is to increase MPS's general aid allocation by \$201,350 relative to its 1993-94 actual allocation.¹¹

** Subtracting this additional aid from the loss of property tax revenue results in a net fiscal impact on MPS of \$260,250. This amount is less than 4/100th of one percent (0.00038) of MPS's 1993-94 expenditures of \$679.3 million.*

We want to emphasize that in calculating the fiscal impact on MPS, we have made several very conservative, or "worst case" assumptions. Thus, we are very confident in our assessment that the likely fiscal impacts of lifting the residency requirement will be quite small.

C. The Fiscal Impact on the City of Milwaukee.

To calculate the fiscal impact of the out-migration of 500 teachers on the government of the City of Milwaukee, we first calculate the direct reduction in property tax revenues attributable to a 2/10th of one percent reduction in property values, and then calculate the impact of both the reduced tax base and the reduction of city population on the City's allocation of Shared Revenues from the State.¹²

On the assumption that the entire 2/10th of one percent reduction in property value would occur in a single year, we calculated that the City's property tax base would decline by \$25.6 million. At the current City tax rate of 11.95 mills, the City's property tax revenue would decline by \$306,400.

Milwaukee's 1994 shared revenue allocation is \$213,936,825. In order to simulate the impact of the out-migration of teachers on the City's allocation we must make assumptions about the impact of the out-migration on property values and on City population. As our survey of Milwaukee Public School teachers indicates that the average family size of those teachers who declare that they are "very likely" to move if the residency requirement is eliminated is 2.47, we assume that the departure of 500 teachers will result in a decline in Milwaukee's population of 1,235 persons (2.47 x 500).

On the, again unrealistic, assumption that the impact on property values and on population all occurs in a single year, we calculate that the City's 1994 shared revenue allocation would increase by \$344,100.

** Thus the net fiscal impact on the City of Milwaukee of lifting the residency requirement is likely to be positive. The loss in property tax revenue attributable to any drop in property values resulting from the out-migration of teachers will more than be offset by an increase in the City's allocation of Shared Revenues.*

Appendix 1

Survey Methodology

I. Sample and Survey Design

A. **The sample.** The population of interest for this survey included all the public school teachers in the Milwaukee Public School System.

The names, addresses, and telephone numbers were supplied on disks by the Milwaukee Teachers Education Association. There were three strata: teachers who were not required to live in the city proper and lived somewhere outside; teachers who were not required to live in the city proper but who nevertheless chose to live in it anyway; and those who were hired after February 1978 and there were required to live in the city.

A fourth stratum of "new" teachers was also provided. All of these teachers are subject to the residency requirement (though they have a grace period within which to move to the city). They were therefore combined with the "required to live in Milwaukee" stratum. 39 of the cases were duplicates already in the larger file.

A separate random sample was drawn from each of the three strata. Table A1 shows the strata size and the sample size.

Table A1

Population and Sample Sizes

<u>Stratum</u>	<u>Population Size</u>	<u>Sample Size</u>
1. Not required to live in Milwaukee and live outside	1,512	113
2. Not required to live in Milwaukee and live inside	943	113
3. Required to live in Milwaukee	3,840	482
TOTAL	6,295	708

Inspection of the map plotting the residential location of the total population of teachers subject to the residency requirement (page 28) and maps showing the location of survey respondents (pages 29-30) shows that the survey picked up a geographically representative distribution. The city teacher population is distributed largely around the periphery of the city, as are the respondents to the survey.

B. Response rate. A total of 708 names were chosen for the combined sample. Of these eight were no longer teachers for the Milwaukee Public School System and so were withdrawn from the sample.

Completed interviews were obtained from 509 of the 700, making for an overall response rate of 73 percent. Table A2 shows the response rate by stratum.

Most of the survey analysis in this report focused on the teachers who are required to live in the city. This sample numbered 349. However, of these 349 cases, 15 were mistakenly included by the MTEA in this category. These are teachers who were not in fact covered by the residency requirement, having taught in the system longer than 17 years. Two others teacher did not yet live in the city, having been hired less than a year ago. They both lived outside the city at the time of the survey and therefore could not answer Question 40 concerning the likelihood that they would move out of the city. These 17 cases were recorded in the analysis as "missing data" and are not included in any statistical calculations. Thus, the final total of teachers in the survey subject to the residency requirement was 332.

C. The Pretest

The Wisconsin Survey Research Laboratory drew a random sample of names and completed a pretest of 19 interviews. Research staff from the Survey Laboratory monitored the 19 completions and in consultation with the principal investigators (Eisinger and Reschovsky) made revisions and additions to the questionnaire.

D. The Survey

The survey was carried out by telephone from the University of Wisconsin-Madison telephone bank of the Wisconsin Survey Research Laboratory during the month of February, 1994. The Survey Lab uses professional interviewers. The responses were coded by the Survey Lab and the data were transmitted to the principal investigators in ASCII form.

E. Sample Demographics

Teachers in the sample of those required to live in the city averaged 6.34 years of service in the Milwaukee Public Schools. They averaged just over 37 years of age.

Just over three-quarters (75.3%) were women.

Table A2
Response Rate

	Sample	No Longer Employed as a Teacher	Interviews	Could Never Connect	Refused	Could Not Be Contacted By Phone	Response Rate (n Percent)
1. Not required to live in Milwaukee and live outside	113	3	82	11	11	6	75
2. Not required to live in Milwaukee and live inside	113	-	78	12	16	7	69
3. Required to live in Milwaukee	482	5	349	53	38	37	73

• **NOTE:** Phone answered by an answering machine, never home, or never available.

The ethnic and racial breakdown closely resembles the population of teachers as a whole:

White	75.9%
Black	16.3%
Hispanic	5.7%
Other	1.5%

Appendix 2

**Logit Regression of the Probability of Moving
Out of Milwaukee County**

Sample includes all household heads age 27 or older with household incomes over \$22,000 and an occupation classified as professional or managerial who lived in Milwaukee County in 1985 and worked in Milwaukee County in 1990.

Dependent variable = 1 for those who lived outside of Milwaukee County in 1990 and 0 for those who lived in Milwaukee County in 1990.

<u>Variable</u>	<u>Coefficient</u>
Constant	-0.931
The person's age in 1990	-0.821*
1 if non-white, 0 otherwise	-1.632*
1 if married, 0 otherwise	-0.485
Household income, \$25,000-\$34,999	1.040
Household income, \$35,000-\$49,999	1.785**
Household income, \$50,000-\$74,999	2.344*
Household income, Over \$75,000	2.746*
Number of children less than 18 years old	0.005

- * Statistically significant at the 5 percent level.
- ** Statistically significant at the 10 percent level.

SOURCE: 1990 Census of Population and Housing, PUMSA (5%) File.

Endnotes

1. Question #33 reads: "If your contract did not require you to live in the city of Milwaukee, do you think you would live here anyway?" The breakdown of the answers was as follows: 38% said yes; 45% said no; 17% were not sure.

2. Question #41 read: "Have you ever considered resigning from your teaching position because of the residency requirement in your contract?"

31.2% Yes
62.5% No
6.3% Don't know, refused to answer

Question #42 read: "If the residency requirement is not eliminated, how likely would you be to resign from your teaching position within the next couple of years or so?" Of the 109 people who answered "Yes" to Question #41, 38 said it was very likely and 51 said it was somewhat likely.

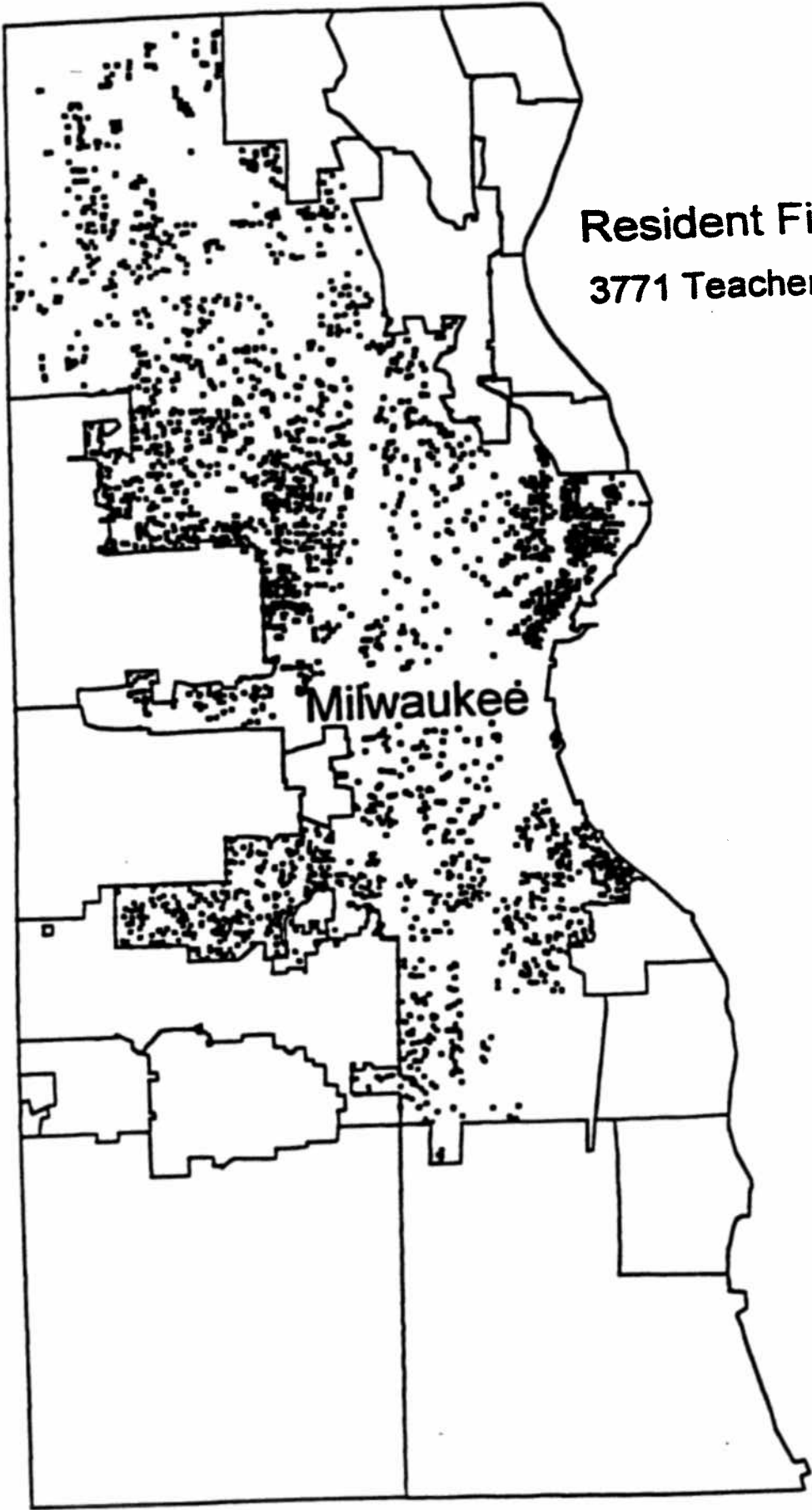
3. Of those earning less than \$35,000, 71% say they would likely move out of the city. This compares to 60% of those earning more. This pattern is probably a function of age: as teachers get older, they are somewhat less likely to consider moving out if they are released from the residency requirement. The correlation between age and one's estimate of the likelihood of moving out is .22 (significance < .0001).

4. Question #40 read: "If the residency requirement in your contract were eliminated, how likely is it that you would move out of the city of Milwaukee in the next couple of years or so? Would you say it is very likely, somewhat likely, not too likely, or not at all likely?" The breakdown of the answers was as follows:

33.5% Very likely
24.6% Somewhat likely
17.8% Not too likely
17.2% Not at all likely
6.9% Don't know

Answers to Question #40 were very consistent with answers to Question #33 ("If your contract did not require you to live in the city of Milwaukee, do you think you would live here anyway?") Fully 91.5% of those who said they would be very likely to move if the requirement were eliminated also said no to Question #33; 95% of those who said they were not at all likely to move said yes to the question of whether they would live in Milwaukee even if there were no residency requirement.

5. The Public Use Micro Sample (PUMS) is based on a five percent sample of all those answering Census questionnaires.
6. The implication of having data only on a county level is that our estimates of the probability of moving from the City will be biased downward, primarily because we are unable to observe intra-county moves.
7. We included variables indicating housing tenure (owning or renting) and the type of housing unit (eg. single-family, apartment) in preliminary analysis. However, these variables were not included in the final analysis because they measure households' housing characteristics in 1990 rather than housing characteristics in 1985, the period prior to a potential move. As we are interested in the impact of housing tenure and type on the probability of moving, it would be incorrect to use *ex post* housing characteristics, especially as there is good reason to believe that moves are often coincident with changes in housing tenure and type. In particular, we suspect that a number of households that move from the city to the suburbs are simultaneously moving from a rental apartment in the city to a owner-occupied house in the suburbs. Nevertheless, the use of a logit regression including housing variables results in predicted probabilities of moving that are only slightly higher than the probabilities reported in the text.
8. Our sample includes only 17 teachers who we classify as "high probability movers." Of these 17 people, only one has children in MPS. This single teacher represents only 0.3 percent of the sample of 332 teachers. Extrapolating to the entire population of teachers, we estimate that 12 teachers with children enrolled in MPS are "high probability movers." Assuming that each of the 12 teachers has two children attending MPS, provides our lower bound estimate of 24 students.
9. We suggest this figure because only about 62 percent of the teachers bound by the residency requirement are homeowners.
10. For MPS general aid is made up of equalization aid and integration aid.
11. For purposes of this analysis, we assume, probably realistically, that the loss of the 125 students will have no impact on MPS's categorical aid allocations.
12. We have assumed that the City's allocation of Expenditure Restraint Aid would not change. If we assume that city expenditures remain unchanged, it is reasonable to assume that the city will adjust its millage rate so that its property tax levy would remain more or less stable. Specifically, we make the assumption that the City's "excess levy" remains unchanged as a result of the out-migration of teachers.

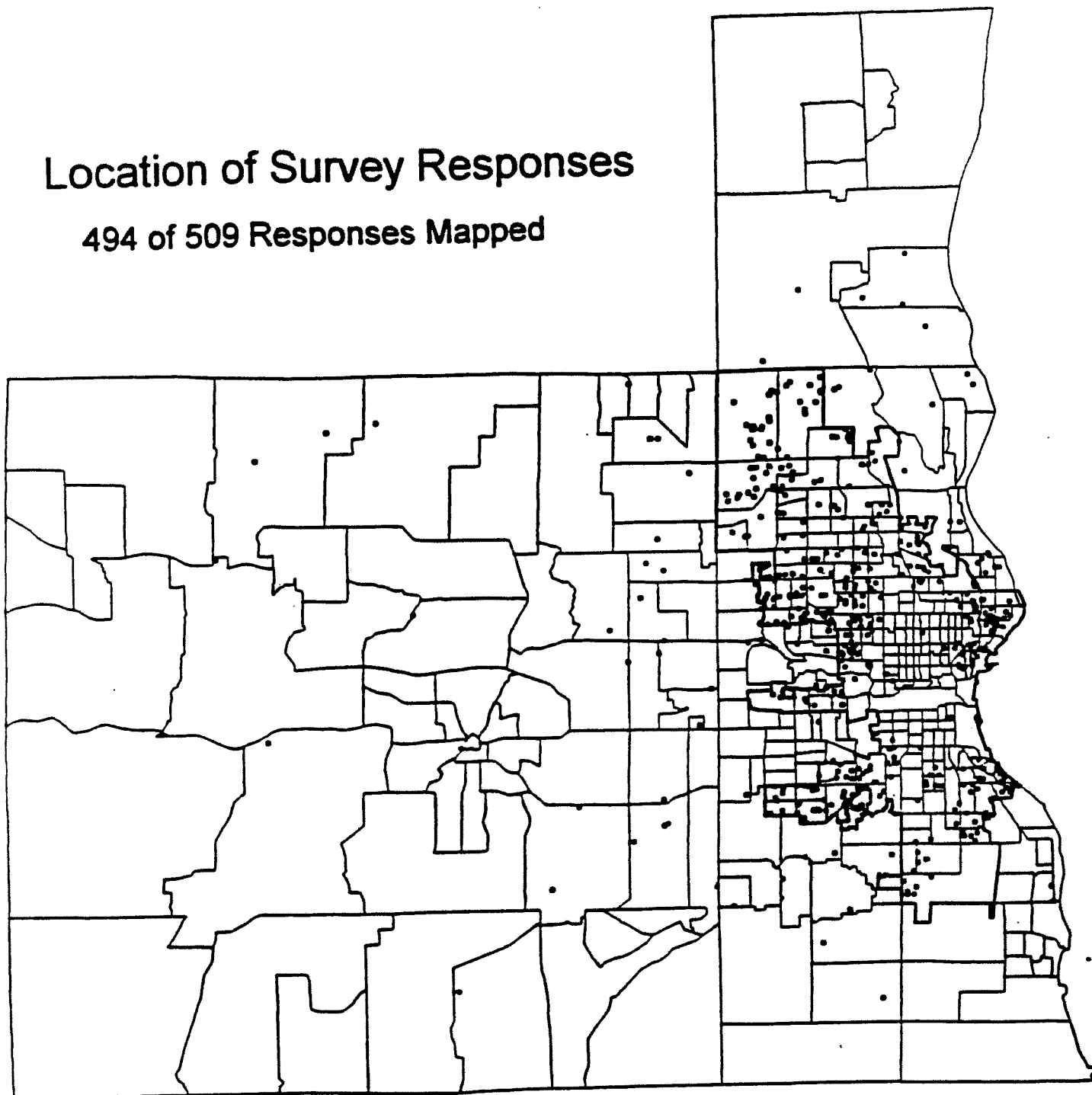


Resident File
3771 Teachers

Milwaukee

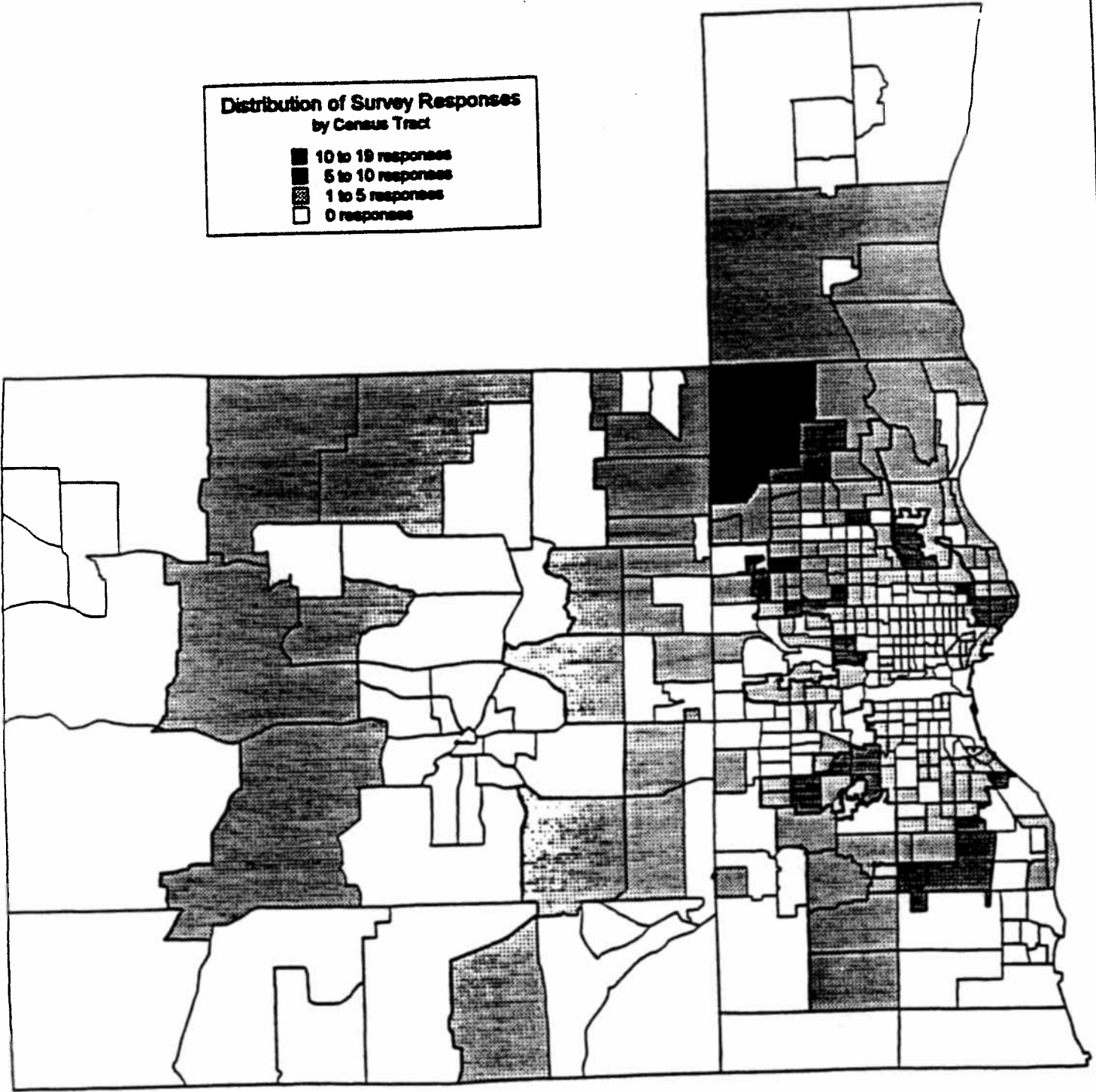
Location of Survey Responses

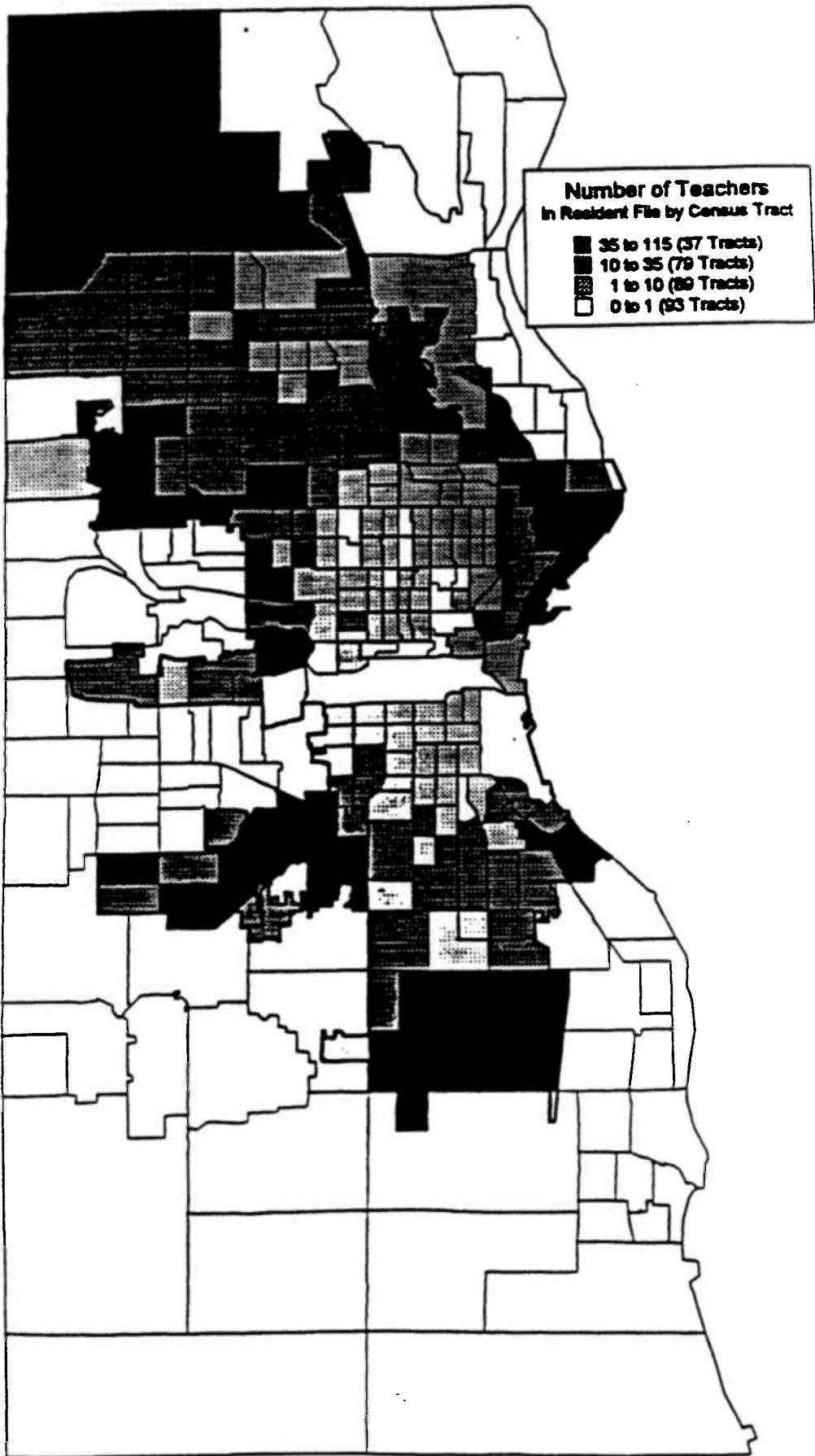
494 of 509 Responses Mapped

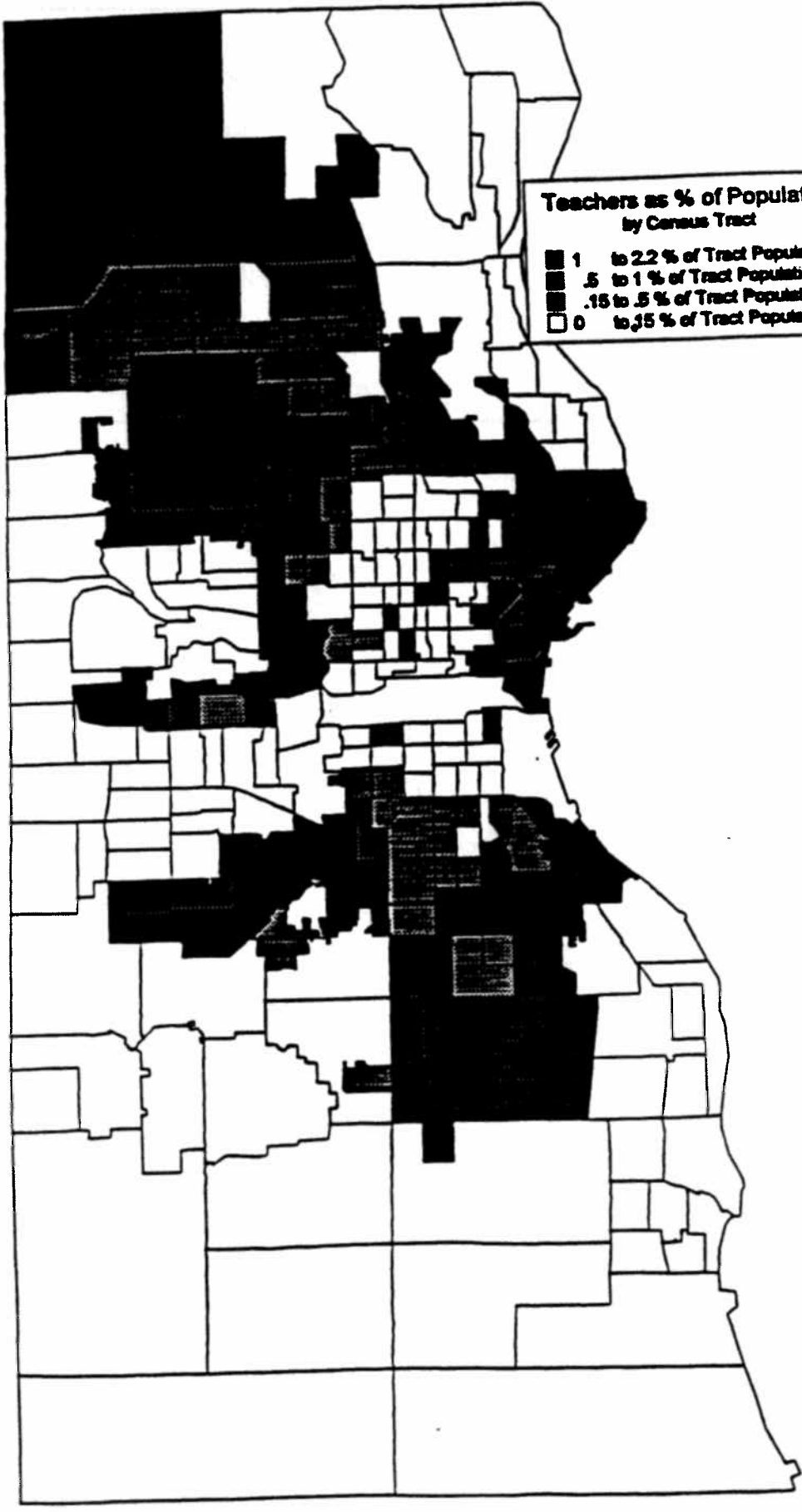


**Distribution of Survey Responses
by Census Tract**

- 10 to 19 responses
- 5 to 10 responses
- ▨ 1 to 5 responses
- 0 responses

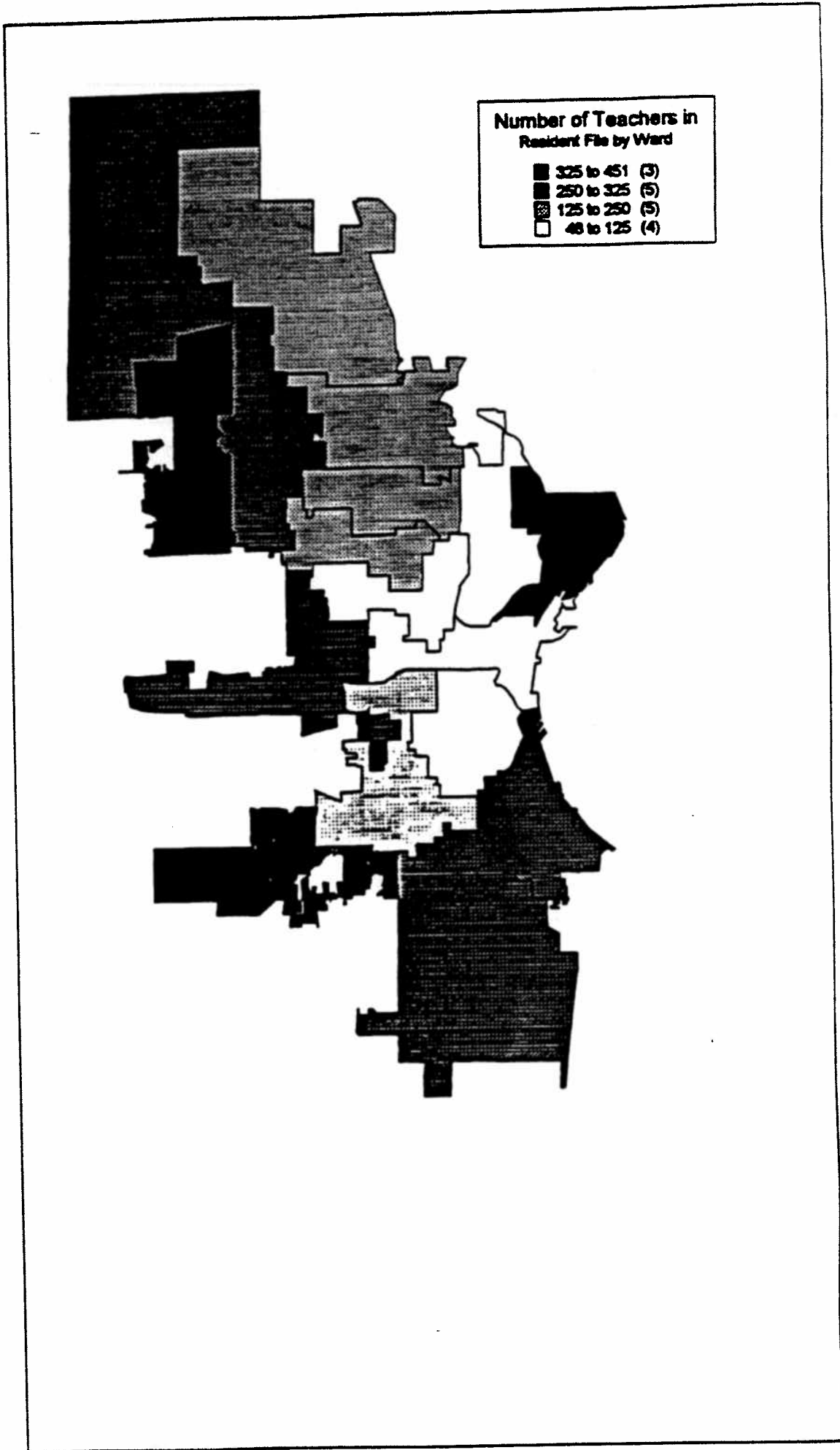




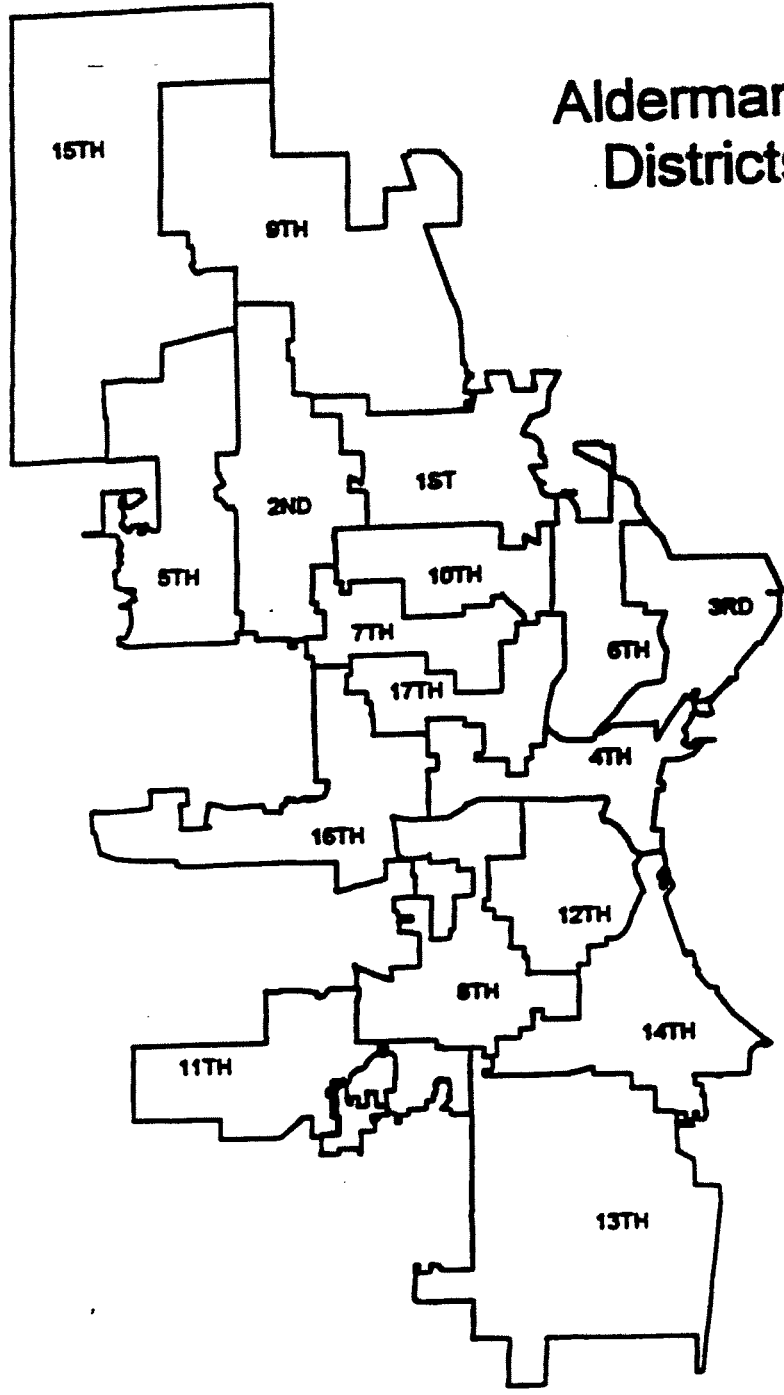


**Teachers as % of Population
by Census Tract**

- 1 to 2.2 % of Tract Population
- .5 to 1 % of Tract Population
- .15 to .5 % of Tract Population
- 0 to .15 % of Tract Population



Aldermanic Districts





Friday, June 22, 2001

Phila. can't require residency of teachers

By Dale Mezzacappa and Ovetta Wiggins

Philadelphia INQUIRER STAFF WRITERS

AB 837
folder

The General Assembly yesterday took away the right of the state's two largest school districts, Philadelphia and Pittsburgh, to require that their teachers live within city boundaries.

Legislators said removal of the long-standing residency requirement was necessary to alleviate a critical shortage of qualified educators.

Philadelphia expects to need at least 650 new teachers come September, and it never filled all of its vacancies this year - leaving thousands of students in classes with uncertified teachers.

Several studies have shown that job applicants cited the residency requirement as a major deterrent to taking a teaching job in the city.

Mayor Street, City Council, and the Board of Education were not particularly happy with the state's action but said they would live with it.

"I hope it has the positive impact its proponents believe it will have, but I don't think this is something that should be handled through a state-imposed prohibition," said Debra Kahn, the mayor's education secretary.

Ted Kirsch, whose Philadelphia Federation of Teachers (PFT) represents the city's 12,000 teachers and other professionals, however, was ecstatic.

"We have close to 2,000 teachers who are not qualified. . . . There's not a city or town in this state that would stand for not having qualified teachers, and we shouldn't, either," he said.

The other 499 school districts in the state are already barred from imposing residency requirements.

Kirsch said he formed the unusual union alliance with the Republicans who control the statehouse, especially House Majority Leader John Perzel, by telling them "it's something they could do [for Philadelphia] that didn't cost them anything."

That's exactly the problem, Kahn said. She said that the best way to keep and recruit teachers is to pay them competitive salaries and stabilize the district's financial situation.

Yet Harrisburg, which pays nearly 60 percent of the district's costs, has balked at additional infusions of funds or a tax reform that would help solve the massive fiscal problems of the district. It is facing a \$216 million deficit for 2002 and has projected a shortfall of \$1.5 billion in five years.

Kahn also criticized the measure because it applies only to professional employees - and not blue-collar workers.

School Board President Pedro Ramos said that lifting the requirement could, in the long run, actually worsen the district's fiscal posture. If too many teachers move out - and police and firefighters push for the same exemption - that will weaken the city's tax base by accelerating an exodus of the middle class.

"I wish we had as much money as mandates from Harrisburg," he said. "In the long term, a lot of people are worried that this is another small threat to the tax base, and without any tax reform on the horizon, it creates more financial questions rather than fewer for Philadelphia."

But the support in Harrisburg was overwhelming.

The Senate passed the measure late Wednesday by a vote of 34-15. The House approved it yesterday, 157-35.

Tim Reeves, a spokesman for Gov. Ridge, said the governor planned to sign the measure, which also calls on the state Department of Education to study cyber charter schools and report its findings to the legislative education committees by October.

Most of the opposition to the lifting of residency provisions came from Pittsburgh lawmakers.

"It sends the wrong message," Rep. Dan Frankel (D., Pittsburgh) said. "Our

children and families need to know that our schools are good enough for our teachers."

Frankel said Pittsburgh does not have the same problem Philadelphia has in trying to recruit teachers and, therefore, the two shouldn't be lumped together.

Rep. Mark Cohen (D., Phila.) said it should be up to Philadelphia and Pittsburgh to decide the issue. But others disagreed.

Rep. Dwight Evans, one of the Philadelphia Democrats who supported the measure, said: "If we can recruit teachers in India and France, we should be able to recruit in Montgomery and Bucks Counties."

Democratic State Sen. Allyson Schwartz said, "We're having a hard time attracting teachers, and if in fact the residency requirement diminishes our ability to attract the best teachers, we needed to lift it."

In 1998, the Board of Education relaxed its residency rule, which has been in effect since 1983, giving new hires three years to move into the city. Teachers who had not yet complied were getting letters telling them they would lose their jobs unless they moved in.

Kirsch said there were about 90 teachers in that predicament, including many in shortage areas such as math, science and foreign languages.

Barbara Gordon, the PFT staff member who handles residency issues, said she could not say whether there would be an exodus of teachers from the city now that the requirement has been lifted. But some teachers will probably leave, she said.

Pennsylvania produces an excess of certified teachers each year, but not enough who are qualified to teach difficult subjects such as science or are willing to teach in high-need areas.

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