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Neumann taps public funds for private schools



Rick Wood

Shawn Vogel (left), Trinidey Brown and Vincent Trentadue color in the K-4 class at the HOPE Christian school at 3601 N. Port Washington Ave. earlier this year.

Republican governor candidate started HOPE Christian Schools

By [Lee Bergquist](#) and [Erin Richards](#) of the Journal Sentinel

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Republican businessman Mark Neumann started his first taxpayer-funded school with 49 students, and in eight years enrollment has mushroomed to nearly 1,000 students in four schools.

Neumann, a candidate for governor who preaches smaller government and fiscal conservatism, has used his entrepreneurial skills to tap private and public funds - including federal stimulus dollars - to start schools in poor neighborhoods.

The former member of the U.S. House operates three religious-based schools in Milwaukee, a fourth nonreligious school in Phoenix and has plans to build clusters of schools across the country.

The Nashotah businessman is part of a growing national movement from the private sector that is providing poor neighborhoods an alternative to traditional public schools.

There are signs the schools are achieving one of their primary goals of getting students into post-secondary schools.

HOPE Christian's high school has had two graduating classes before this spring, and has posted acceptance rates at post-secondary schools of 85% in 2008 and 92% in 2009.

By comparison, a Milwaukee Public Schools study of graduating classes in 2005 to 2007 showed a post-secondary enrollment of nearly 46%.

Neumann has used education and his business experience to contrast himself with his two opponents - fellow Republican Milwaukee County Executive Scott Walker and Democratic Milwaukee Mayor Tom Barrett. Walker and Barrett have spent most of their professional life in government.

Neumann's three HOPE Christian schools have received nearly \$22 million since 2002 under the Milwaukee Parental Choice Program, records from the state Department of Public Instruction show.

The Milwaukee schools have about 685 students and this year received \$6,442 per child, state figures show. The Phoenix school - called Eagle College Prep - started in 2008 and has about 275 students.

Through Neumann's Waukesha-based nonprofit, Educational Enterprises Inc., Eagle College Prep tapped \$174,007 in federal stimulus funds last year.

Neumann was critical of stimulus legislation in one of his TV gubernatorial ads and has lambasted the state's acceptance of \$810 million for a high-speed passenger rail line that will link Chicago, Milwaukee and Madison.

When told by the Journal Sentinel that the school had received stimulus funding, Neumann said he wasn't aware of it.

Arizona Office of Economic Recovery spokeswoman Tasya Peterson said her state used stimulus dollars to replace state money for funding private schools such as Neumann's to ease Arizona's fiscal problems.

Neumann's son Andrew, a co-founder of the HOPE schools, oversees day-to-day operations.

After looking into the stimulus funding, Mark Neumann said that Arizona "plugged the budget in an inappropriate way - it's exactly the wrong thing to do."

Still, the company accepted the money and has no plans to return it unless Arizona finds another source of funding "to honor its contracts with us," Mark Neumann said.

Outside funding

Neumann's company also received \$907,757 from the State of Arizona to run the schools, according to the 2009 tax return of Educational Enterprises.

The 2009 return shows that Educational Enterprises also obtained a \$324,783 start-up grant from the U.S. Department of Education for Eagle College Prep, which in Arizona by law cannot provide religious instruction as a public school.

Neumann says his schools can operate at a lower cost than MPS. But the voucher payment through the Milwaukee parental choice program isn't enough, so the company pushes for funding from other government sources and foundations.

Last year, Educational Enterprises had a profit of \$301,275 after recording a loss of \$38,027 the previous year, tax records show. About half of 2009 revenue came from Milwaukee's voucher program and other government payments.

Neumann, a former high school teacher who has earned millions of dollars building homes, has also dug into his personal wealth to underwrite the schools.

In 2008, he made a five-year loan of \$921,146 to the company at an 8% interest rate, federal tax returns show.

He says the interest he is receiving for his loan is more than made up by his personal donations to the schools. He and his wife, Sue, donated \$362,873 between 2007 and 2009, his company's tax returns show.

HOPE schools are aligned with the Wisconsin Evangelical Lutheran Synod, and religious instruction is part of the curriculum.

"Religion is voluntary, but I am happy to say that the vast majority participate," said Neumann, who describes himself as a "strong practicing Christian."

Neumann served two terms in the U.S. House in the 1990s. He said the experience convinced him that public schools in poor neighborhoods were failing their mission.

"I watched millions of dollars go through Congress for inner-city problems, and all it seemed like we were doing was creating a generation of welfare," Neumann said.

He started the nonprofit in 2000 and opened the first school in a strip mall at N. 25th St. and W. North Ave. two years later.

The other HOPE schools in Milwaukee are a high school at 3215 N. King Drive and the latest addition, a newly constructed \$3.27 million building serving grades five through eight at 3601 N. Port Washington Road.

At the school on W. North Ave., a sign in the hallway says, "Hard Work Pays Off."

Students from kindergarten through eighth grade are required to walk quietly down the halls and follow a painted green line. But the strict decorum evaporated in a first-grade class as students gleefully shouted out words for their teacher.

At all of the schools, students are given the cell phone numbers of teachers. Voluntary Saturday school is held twice a month.

Different experiences

Lekeisha Reynolds, an 18-year-old HOPE High School senior, will attend Wisconsin Lutheran College in the fall - the first in her family to go to college.

Her mother, Cornelius Kirk, echoed the sentiments of several parents who said they are pleased with HOPE.

"They always pushed Lekeisha to strive for excellence," Kirk said.

But Shanyce Matthews, the parent of another graduating senior, said that her enthusiasm for the school waned over time.

Her son wasn't required to write a full-fledged research paper, she said. Matthews also said that women and non-Lutherans weren't held in as high regard as men and members of the faith. Matthews worked at HOPE, but she said she was fired when she began raising concerns.

A spokeswoman for HOPE declined to comment on Matthews' comments.

One of HOPE's local funders has been PAVE, a Milwaukee-based organization that provides financial support to urban schools

Typically, students arriving at voucher schools are a grade or two behind, according to Dan McKinley, president of PAVE. He praised HOPE's emphasis on discipline and creating an environment where students are expected to learn.

"An urban school that is successful is really quite an achievement," McKinley said. "That is why the culture of the school is so important."

Mark Neumann is one of three directors of the company and is not paid.

Andrew Neumann, who has a doctorate in math education, is president. He received compensation last year of \$116,610, records show.

The third director is James Rahn, president of the Kern Family Foundation of Waukesha. He was formerly director of the Center for Urban Teaching at Wisconsin Lutheran College.

Andrew Neumann said the company uses proven techniques, such as the phonics program for early grades that was pioneered by Chicago educator Marva Collins.

The performance of students remains slightly behind the state average, according to the school.

HOPE prefers to measure performance by testing how well students are improving. Test results show students are making progress ahead of the national average: in language at its high school, in reading and language in grades three through eight at the school on W. North Ave. and math and reading in grades five through eight at the school on N. Port Washington Road.

All voucher schools must give state standardized tests next year and make those results public.

Andrew Neumann said HOPE schools are built around the concept of providing a Christian education,

developing character and preparing students for more education after high school.

"Love is at the center of what we are doing," he said.

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