



November 1, 2007

Milwaukee Common Council
City Hall – Room 205
Milwaukee, WI 53202-3570

Dear Common Council Members:

I agree with the concerns that certain members of the Common Council are expressing about the proposed 16.4% tax levy increase for the Milwaukee Public Schools. Property taxes already are a significant burden for city residents. I want to take this opportunity to explain to you why a 2.68% spending increase from FY07 – about the same as the city's proposed increase – requires such a large levy hike.

Our state aid is down \$19 million from last year, due to a combination of declining enrollment and increased city property values. The Milwaukee Parental Choice Program's private school property tax levy is up more than \$4 million. The district's revenue limit is up \$15 million, leaving a significant gap between the revenue limit and available funding. The state is simply shifting the cost of education to the local property taxpayers.

My focus is on balancing the needs of taxpayers, parents, and the students who attend Milwaukee Public Schools. While overall enrollment is down over the past several years, the needs of our students have increased. Poverty is rising, special education students account for an increasing share of our enrollment, and other governmental units have cut their commitments to provide supportive services to families and the community.

The administration and the Board of School Directors are in a quandary. Budget cuts have financial impacts larger than the cuts themselves. Under the state aid formula, if the district were to cut its operations budget by \$5 million, it would face an aid cut the next year of about \$1.9 million, making the total impact \$6.9 million. If the district needed to recover some of funding, future tax levies would spike. Quick fixes, although very attractive on the surface, may lead to long-term fiscal instability and even higher property taxes.

Milwaukee Public Schools has reduced busing costs, health care costs, cut district bureaucracy, and downsized the district by closing schools. There is still more to be done – we realize that. As an aside, I would like to note that many of the central services positions proposed to be added to the budget are mandated by the State Department of Public Instruction and are funded through grants, not the property tax levy.

We have also laid a strong foundation to improve the academic achievement of our students. Last year, seven of the eight grades tested had gains in reading and math, and

we made significant gains in our lowest-performing schools. Our high school graduation rate is the highest in 15 years and we are close to passing the national high school graduation rate.

I strongly empathize with the tax payers in this community, but as a district we have three options: 1) We can sue the state for establishing funding formulas that are unfair to the citizens of Milwaukee; 2) We can make significant cuts to our school district that would have an extremely negative impact on the children of Milwaukee; 3) We can have double-digit tax increases until the state develops new funding formulas.

I will continue to work hard to lead Milwaukee Public Schools in the direction that produces the best results for our community.

Sincerely,



William G. Andrekopoulos
Superintendent of Schools

C: Milwaukee Board of School Directors
Mayor Tom Barrett
Michelle Nate, Chief Financial Officer, Milwaukee Public Schools
Common Council Clerk