

Special Committee on the Review of State School Aid Formula

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Thank you, Senator Olsen and members of the committee, for the opportunity to speak today about Milwaukee Public Schools.

I will begin with some basic background on the district. MPS is the largest school district in the state and serves nearly 91,000 students. The district boundaries match those of the city of Milwaukee and the school system operates on an annual budget of approximately \$1.1 billion.

Reflecting the high incidences of poverty in the city, MPS has a free and reduced price lunch rate that hovers between 75% and 80%. In addition, the district's special education population has grown to 17% of total enrollment.

MPS has seen a trend of declining enrollment over the past five years and has operated with a structural deficit as costs have annually outpaced revenues.

As the district put together its current budget, special education costs were up by \$4.9 million over the previous year, utility costs were up \$5.4 million, transportation costs increased by \$3.4 million and costs related to Open Enrollment grew by \$2.8 million. Benefit costs currently stand at 61% of salaries and although health care costs continue to rise at a rate far above inflation, we have successfully worked with our unions to proactively deal with those costs. The benefit rate, though high, has remained stable over the past two years.

In addition to renegotiating district contracts, MPS has been engaged in the difficult process of closing schools. In this year's budget, \$3.8 million in savings from school closings has been directed to our classrooms. Additional closings will be

taking place over the next few years and the resources that are made available will continue to be directed toward supporting students.

MPS has adjusted its school start times and reconfigured its transportation zones to further save on costs related to transportation as fuel prices remain volatile. Roughly \$3.5 million has been saved through these efforts.

In addition, we have continued to make cuts at the central administration level and have reduced spending by more than \$26 million annually since the 2000-2001 school year. The central service budget now totals \$82.6 million, down from \$109 million in 2000-2001.

While we continue to look for ways to make MPS more efficient, it is safe to say that we have cut through any fat and that our classrooms are now feeling the pressure of diminishing resources.

Over the past four budgets the district has eliminated nearly 1,500 total positions -- of those, 877 were teaching positions. Schools have had to make significant adjustments to deal with these losses and counseling, music and art positions have been hard hit.

Even with these cuts, our focus is on improving instruction in the classroom. In order to help students succeed, we have made an increased effort to help provide students with some of the basics that they need in order to be successful in the classroom. We have instituted a universal, free breakfast program and directed \$3 million of Title I funding toward our school-based health initiative that is in large part an effort to get nurses back into our schools. The initiative will not only help to address some of the basic health needs of our students but will also increase the time students spend in class and will reduce health related barriers to learning. We believe, and the research shows, that having these supports in place is essential to the core mission of educating our children.

We have redoubled our efforts in our early childhood programs and in our four and five-year old kindergarten classrooms where we know that having high quality programs and highly qualified staff make a difference in student performance.

We have implemented a Value Added assessment system that allows us to more accurately track student progress and has helped us to determine more definitively which schools are moving their students forward and which schools may need additional supports in order to be successful.

We have also put in place and maintained learning systems for both students and adults that are focused on improving instruction. That steady focus, tied to a strong accountability system and stability of direction at the administrative level, has allowed us to consistently put our energy toward improving teaching and learning.

As a result, students have made gains academically. Graduation rates have improved over the past four years and we are working hard to continue to close the achievement gap, particularly in the areas of reading and mathematics. We have seen improvements in high school attendance rates and decreases in retention rates at the ninth grade level.

We are making progress but remain concerned about keeping that momentum when we are making programmatic cuts on an annual basis.

The challenges that we are faced with can be overcome. However, with IDEA and NCLB funding remaining essentially flat for the past several years and the difficulties the state has had with maintaining resources for schools, the quality of education in our districts is under threat.

Members of the legislature and the public at large have heard at least parts of this story before. We are not here to cry that the sky is falling, but to make it known that in a very clear if incremental way, districts are being squeezed so that programs that we would consider hallmarks of a quality educational system are at risk.

With that said, there are a number of ways that the state could assist MPS and other districts as we look to the next budget.

- The promise to increase SAGE funding, made as part of the voucher schools compromise, must be kept.

- The funding flaw in the equalization aid formula that leaves voucher students unaccounted for must be fixed to more fairly represent taxpayers in the city of Milwaukee.
- The state must increase the reimbursement provided for students with special education needs. Further, the state should consider indexing the reimbursement to keep pace with costs.
- A set aside for utility and transportation costs should be considered to help insulate districts from dramatic swings in energy costs that may take place within a given year
- Bilingual education funding needs to be addressed in a way that accounts for the increasing population of students with needs in that area.
- After school and Community Learning Center programs should be supported in a significant way.
- P-5 programs should be funded adequately and in a manner that keeps pace with costs.
- Increased funding for four-year old kindergarten needs to become a priority as the evidence increasingly suggests that we see the greatest return when we invest in students at this level.

There are short-term and long-term solutions that we can focus on as we address the problems related to education funding and the items that I have laid out can be addressed immediately. Some of the larger funding system changes that have been and will be discussed will need to be looked at carefully and we are happy to be part of the discussion at that moves forward.

Thank you for your time and I would like to thank the committee members for putting forth the effort to address the needs of all of the state's schools.