



JERRY L. O'CONNOR

STATE REPRESENTATIVE • 52nd ASSEMBLY DISTRICT

(608) 267-9152
Toll-Free: (888) 529-0052
Rep.O'Connor@legis.wi.gov

P.O. Box 8953
Madison, WI 53708-8953

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Contact: Representative Jerry L. O'Connor

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(608) 237-9152

Rep. Jerry O'Connor's Statement on How the MPS Finance Scandal is Draining Funds for FDL-Area Schools

FOND DU LAC – Representative Jerry O'Connor (R-Fond du Lac) released the following statement on the MPS finance scandal and its impact on FDL school districts:

“The State Legislative Fiscal Bureau [estimates](#) that the Milwaukee Public School funding referendum will result in the staggering loss of ANNUAL State funding of **\$777,511** for our Fond du Lac School District. The North Fond du Lac School District will lose **\$83,186**, and the Oakfield School District will see a reduction of **\$45,982**.

On April 2, Milwaukee Public Schools asked voters to approve increasing its revenue limit by \$252 million to close its \$200 million budget shortfall. At the same time that they were asking taxpayers for more of their hard-earned money, MPS was keeping their historic financial mismanagement secret from voters and the Legislature.

The Milwaukee Journal Sentinel [reports](#) that for months, MPS officials have been failing to file “key financial reports” to the Department of Public Instruction and were also submitting incomplete or inaccurate data.

Denying voters full access to information about a referendum undermines the democratic process and can lead to uninformed decisions that negatively impact our community and faith in government institutions. It's essential that all voters have complete and transparent information to make educated choices. Had voters had access to the details of MPS's financial mismanagement, the outcome of this close referendum may have been different.

In my many years in banking, such a withholding of information would be at best, negotiating in bad faith, and, at worst, grievous fraud against the State Legislature and taxpayers of Wisconsin.

Under Wisconsin's equalization aid formula, state tax dollars are distributed to school districts inversely based on property value per student, aiming to 'equalize' aid. This formula is expenditure-based, meaning that as Milwaukee increases its expenditures, it receives a larger share of state aid regardless of property tax 'wealth.'

In other words, while withholding critical information detailing their extensive financial mismanagement, MPS asked voters to give them a larger piece of the education funding pie at the expense everyone else's. As a result, other Wisconsin property taxpayers will be forced to send more of their tax dollars to the terribly mismanaged, ineptly administered, and academically ineffective MPS.

While FDL-area schools work to cut costs to fit this new funding reduction, Wisconsin taxpayers will be forced to dump more money down the bottomless hole of MPS. I join my fellow colleagues in the Legislature in calling for commonsense bipartisan solutions to fix the ineffectiveness, mismanagement, and lack of accountability at MPS once and for all. This is not just a Milwaukee issue, but a Wisconsin one.

However, until MPS has gotten its house in order and restored its credibility in the eyes of the Legislature and people of Wisconsin, FDL taxpayers should not be forced to bail out the historic financial and academic mismanagement in MPS.”

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