

2020–21 Superintendent's Proposed Budget Overview

May 7, 2020



MILWAUKEE
PUBLIC SCHOOLS

Presenters:

Dr. Keith P. Posley, Superintendent of Schools
Martha Kreitzman, Chief Financial Officer
Lynn Ruhl, Director of Financial Planning & Budget Services



Presentation Overview

Presentation Overview

- District Overview
 - 2019-20 Highlights
 - Purpose: Public Hearings and Budget
 - Budget Priorities
 - Budget Development
 - Financial Outlook
- Fund Overview Revenues and Expenditures
 - Schools and Central Services Budgets
 - Proposed Long-Range Opportunities
 - Acknowledgements



District Overview



FIVE PRIORITIES FOR SUCCESS



HOME TO
5 OF THE STATE'S TOP HIGH SCHOOLS
According to *U.S. News & World Report* 2019

\$78+ MILLION
in college scholarships and grant offers
Class of 2018

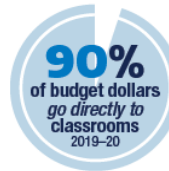
Offering **159** School Options



4 more schools approved to pursue IB authorization

Signs of Success

7 more schools in the **TOP 3** WI State Report Card categories 2018–19



Educating **74,633** STUDENTS 2018–19
89.9% students of color
82.6% economically disadvantaged
20.1% special needs

\$10,297 PER STUDENT SPENDING 2019–20

41 SCHOOLS improving at least one category level on the WI State Report Card 2018–19

Dr. Keith P. Posley
Superintendent of Schools


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2019–20 Highlights

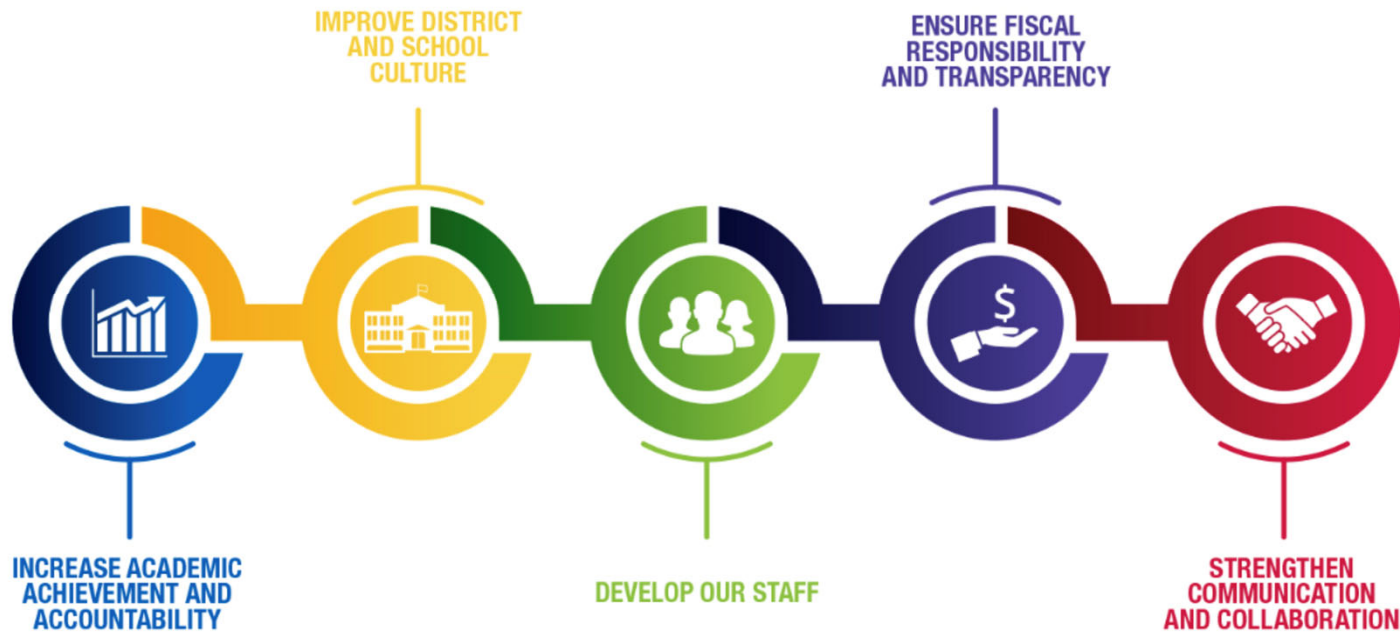


Board Goals

-  Academic achievement
-  Student, family and community engagement
-  Effective and efficient operations



Five Priorities for Success



Goal 1: Academic Achievement

- Developed and began implementation of a five-year music policy
- Received approval for four additional schools (ALBA, Marvin Pratt, Stuart and Morse Middle School) to pursue IB authorization
- Celebrated state recognition of 100 MPS schools for behavior, reading and/or mathematics
- Increased graduation rate in 2019 by 2.4%



Goal 2: Student, Family and Community Engagement

- Conducted public listening sessions to help guide Milwaukee Public Schools to provide an equitable educational environment that is child-centered
- Redeveloped a cohort of green schoolyards as part of a Greener Healthier Schools Program
- Increased opportunities for student voice
- Renovated several playfields including Columbia, Custer, Franklin Square, Clovernook and Southgate Playfields



Goal 3: Effective and Efficient Operations

- Established a task force with 32 local business, education, nonprofit and civic leaders to identify solutions leading to higher achievement for MPS students; passed intent to bring forward a referendum by the MBSD which passed April 7, 2020
- Implemented a salary schedules for most staff as part of an overall compensation and retention strategy
- Implemented four job fairs to better fill open positions
- Developed and began implementation of a district-wide plan to recruit, onboard, and retain highly qualified staff with an emphasis on teachers of color





**Public Hearings and
Budget**

Intended Purpose of the Budget

- Present the district's financial plan
- Serve as a communication document
- Guide management staff to aid the control of financial resources
- Provide highlights of financial policies
- Determine how the additional referendum revenue will be utilized



Intended Purpose of Public Hearings



- Balanced proposed budget
- Review
- Discussion
- Possibly amend
- Approve balanced budget



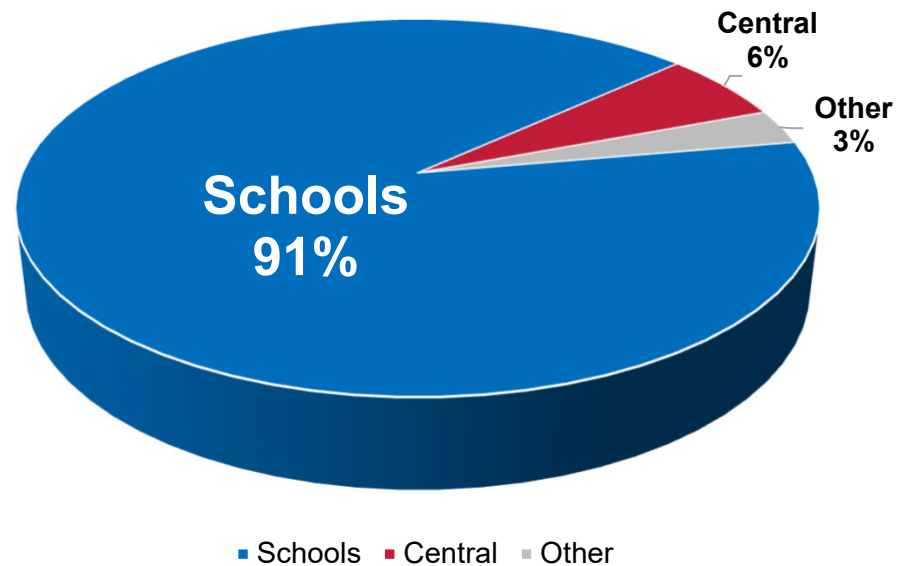


Budget Priorities

Directing Funding to Support Students

For every dollar budgeted in the School Operations Fund, ninety-one cents is used to educate and support MPS students

How the Funds Will be Spent



Budget Priorities for 2020–21 (FY21)

- Stabilize school budgets
- Increase school-based staff
- Continue regional development efforts
- Increase school improvement supports
- Increase the Construction Fund
- Continue playfield renovations across the City



Budget Development



MBSD Approved Parameters

- Ensure that there are sufficient resources for high-quality classroom instruction at the Tier 1 level
- Adjust and repurpose educational programming and departmental budgets to prioritize student achievement
- Fully implement the salary phase-in schedules with a possible cost-of-living increase
- Consider employee benefit modifications for eligible employees to identify cost savings and increase efficiencies



MBSD Approved Parameters Continued

- Explore operating efficiencies including those related to transportation
- Implement a multi-tiered mental health approach to promote students' mental health and social-emotional learning
- Strengthen a well-rounded educational experience by increasing the allocation in areas of school library, art, music and physical education
- Restore revenue to the Construction Fund to address deferred maintenance
- Prepare the budget, maximizing the revenue limit



Budget Development Timetable

December – January

- Review current programs, funding levels and the school allocations
- Hold Strategic Planning and Budget Committee meetings for discussion and possible action on the proposed potential parameters and timetable
- Discuss budget process and preliminary allocations
- Hold school Ambitious Instruction Budget Conversations
- Prepare, with input from School Engagement Councils, proposed school budgets



Budget Development Timetable Continued

February – April

- Hold school budget resolution debrief meetings
- Prepare proposed office budgets
- Hold office budget conversations
- Compile the Superintendent's Proposed Budget

May – June

- Release MPS Superintendent's Proposed Budget
- Hold public hearings on proposed budget
- Publish statutory public hearing notice
- Hold statutory hearing on proposed budget
- Board members submit and take possible action on amendments to the proposed budget
- Hold Board meetings for possible action on proposed budget
- Transmit adopted budget to the Milwaukee Common Council



Collaborative Efforts

- Board
- Community
- District
- School



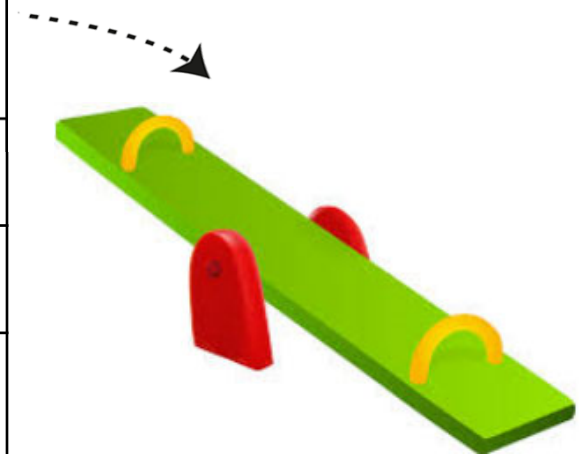
School Budget Conversations/Reviews

- Ambitious Instruction Budget Conversations
- Regional Resolution Budget Debriefs

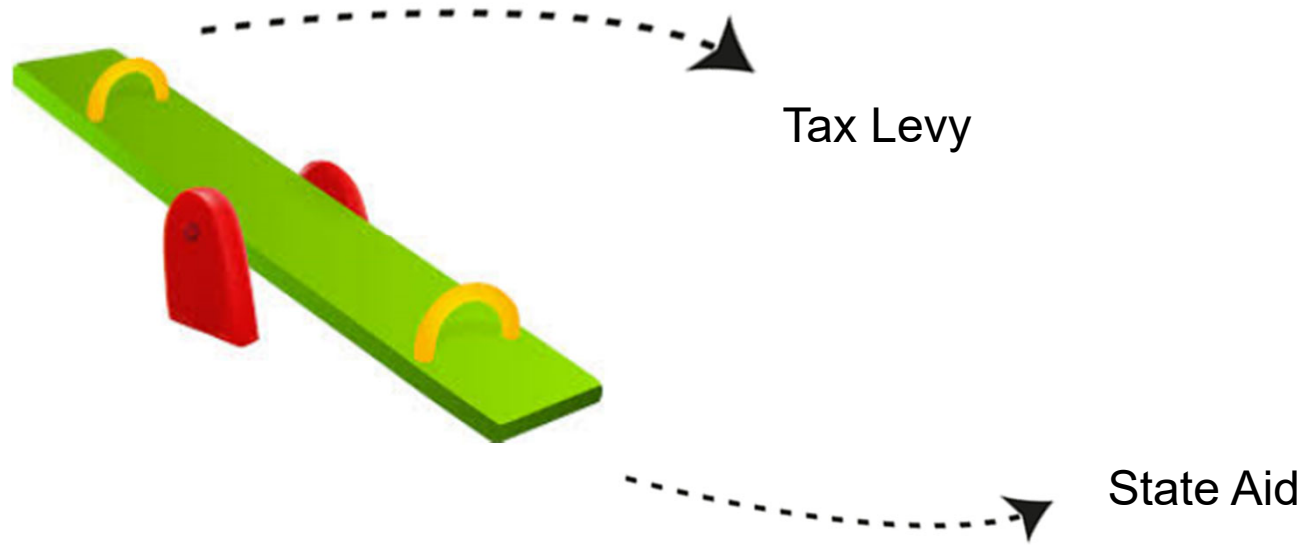


Revenue Sources School Operations Fund

2019–20 Revenue Sources	
Source	Percent
Property Tax Levy/State Equalization/Integration Aids	84.2%
State Other Aids	12.3%
Federal Aids	1.7%
Local Non-Property Tax Revenues	1.8%



Revenue Limits



Revenue Limit

- \$10,122 was the maximum revenue per member from FY16 through FY19
- \$10,297 is the maximum revenue per member for the current year
- The maximum revenue per member is approved to be \$10,476 for FY21



2020-21 Schools and Projected Enrollment

MPS

- 158 Schools
- 74,966 projected enrollment

Census Trends – City of Milwaukee Children						
Age Group	2014	2015	2016	2017	2018	2014–2018 Inc/(Dec)
Under 5 years	47,756	46,843	46,450	44,205	43,675	(4,081)
5 to 9 years	44,083	44,537	45,182	43,749	41,324	(2,759)
10 to 14 years	42,415	42,342	41,834	41,841	43,525	1,110
15 to 19 years	47,559	46,496	46,089	44,155	44,370	(3,189)
Total All Ages	181,813	180,218	179,555	173,950	172,894	(8,919)



Fund Overview

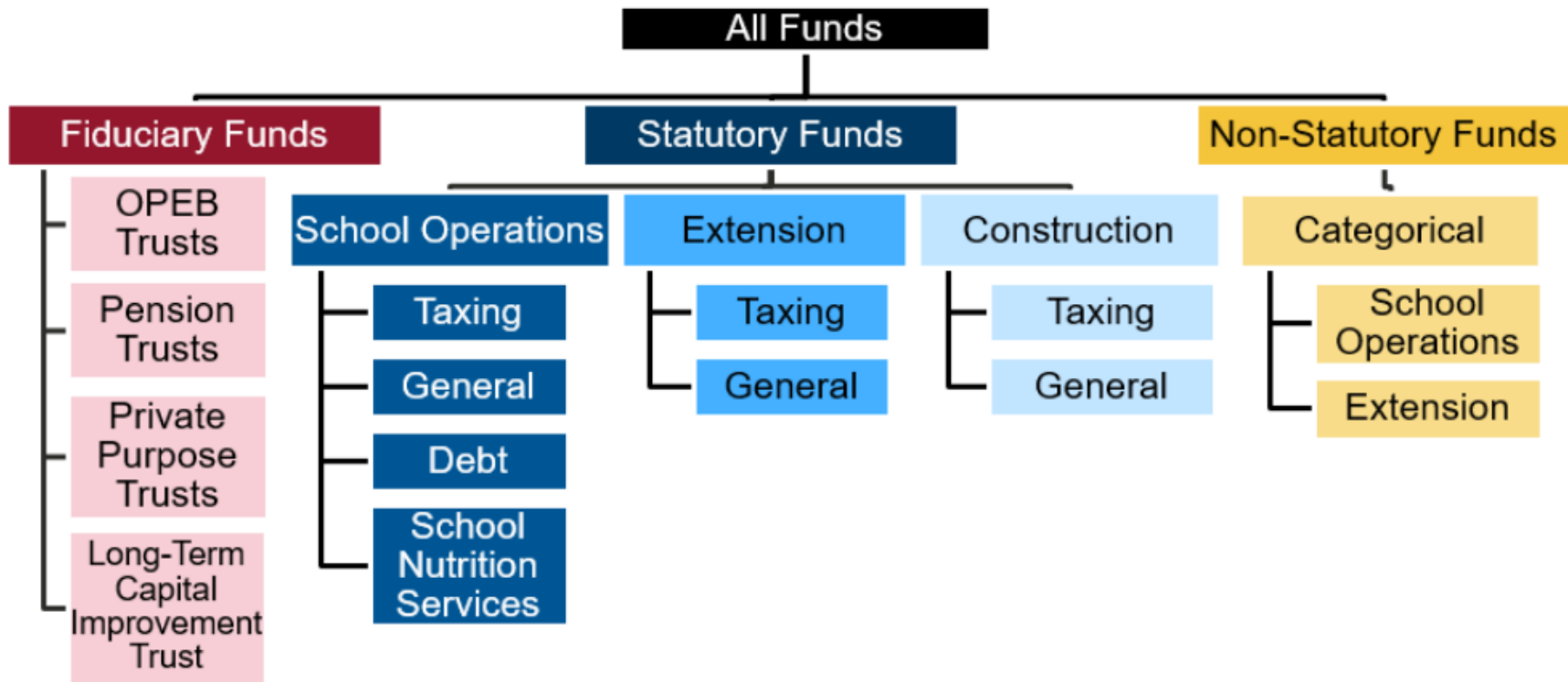


Projected Revenue

- The district's total projected revenue for 2020–21 is \$1.2 billion.
- This is up \$2.8 million as compared to the budget for the current year.
- The increase is due to an increase in the revenue limit and Special Education categorical funds.

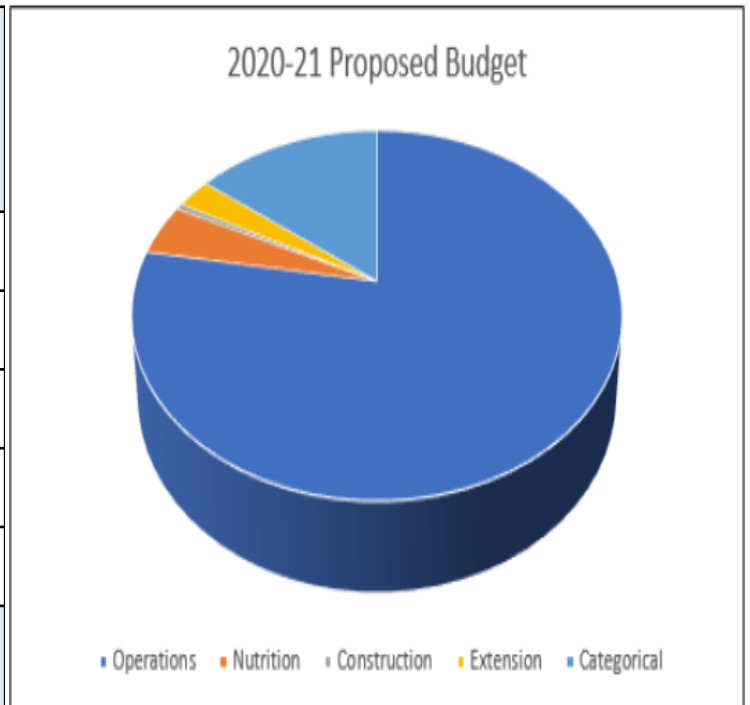


Overview of District Funds



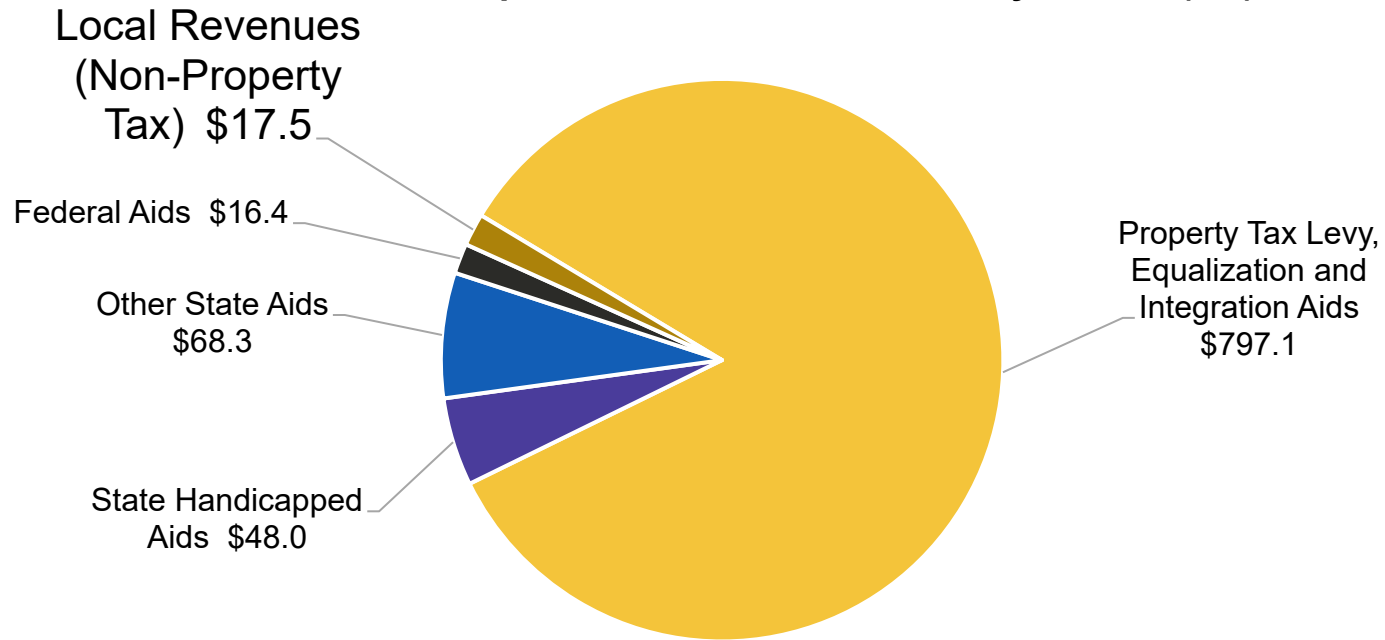
All Funds Revenue 2019–20 vs 2020–21

Fund Category	2019–20 Amended Adopted Budget	2020–21 Proposed Budget	Year-to-Year Difference	Year-to-Year % Difference
Operations	\$947.9	\$947.2	(\$0.7)	(0.1%)
Nutrition	54.9	55.2	0.3	0.5%
Construction	2.6	6.6	4.0	151.7%
Extension	32.7	32.7	0.0	0.0%
Categorical	178.1	177.3	(0.8)	(0.5%)
Total All Funds	\$1,216.2	\$1,219.0	\$2.8	0.2%



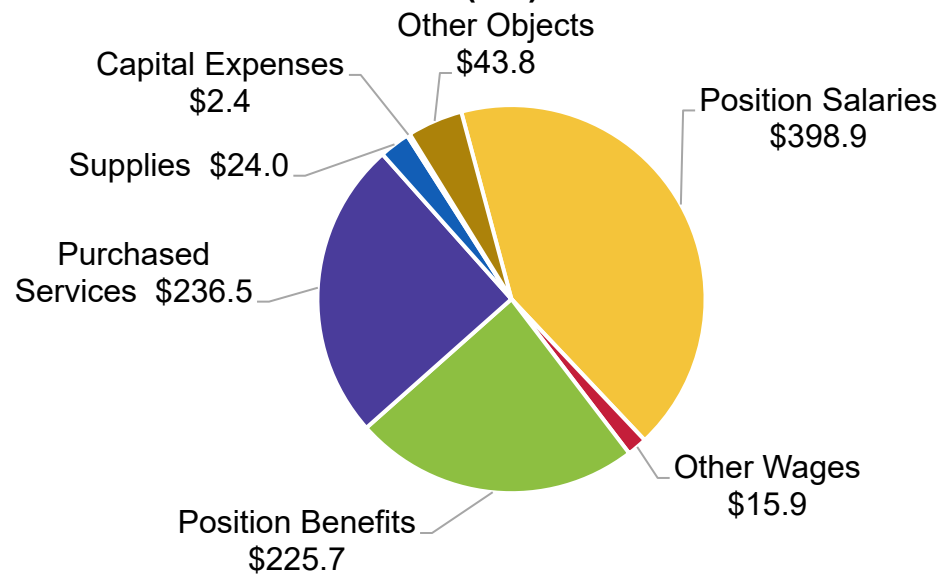
School Operations Fund

2020-21 School Operations Fund - Revenues by Source (\$M)



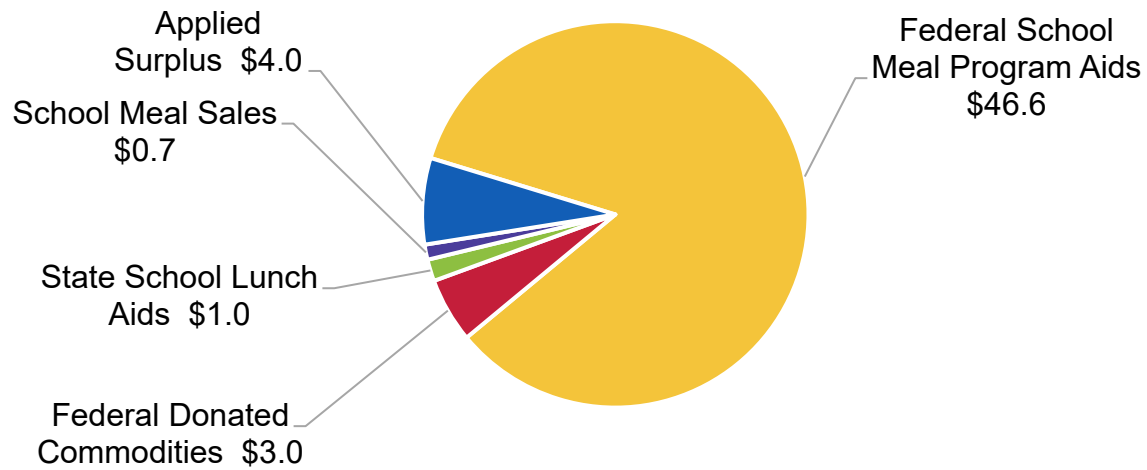
School Operations Fund

2020-21 School Operations Fund – Expenditures by Object (\$M)



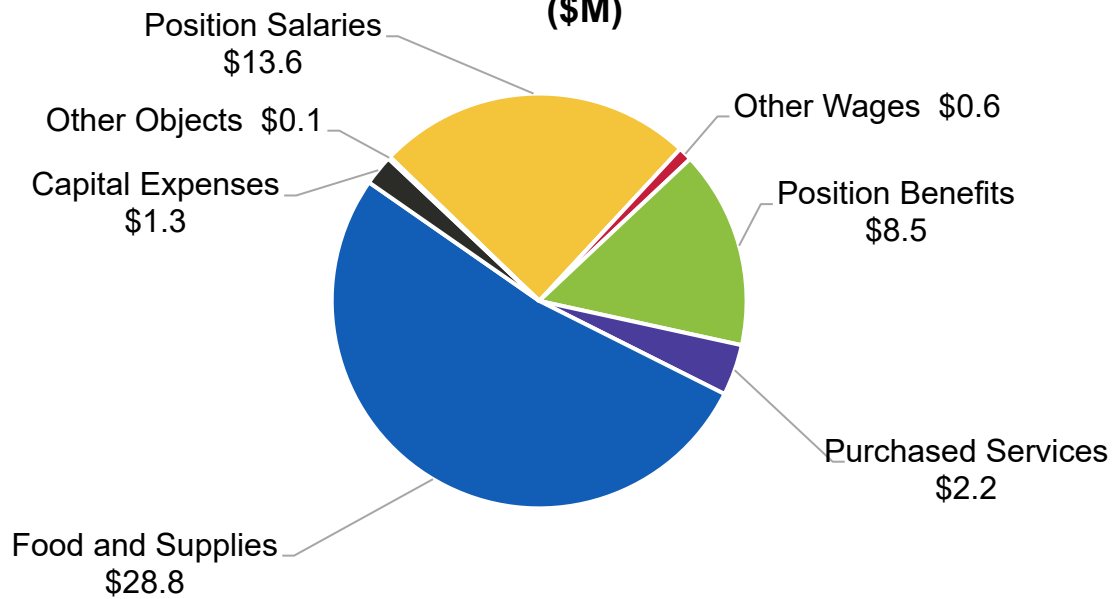
Nutrition Fund

2020-21 School Nutrition Services Fund – Revenues by Source (\$M)

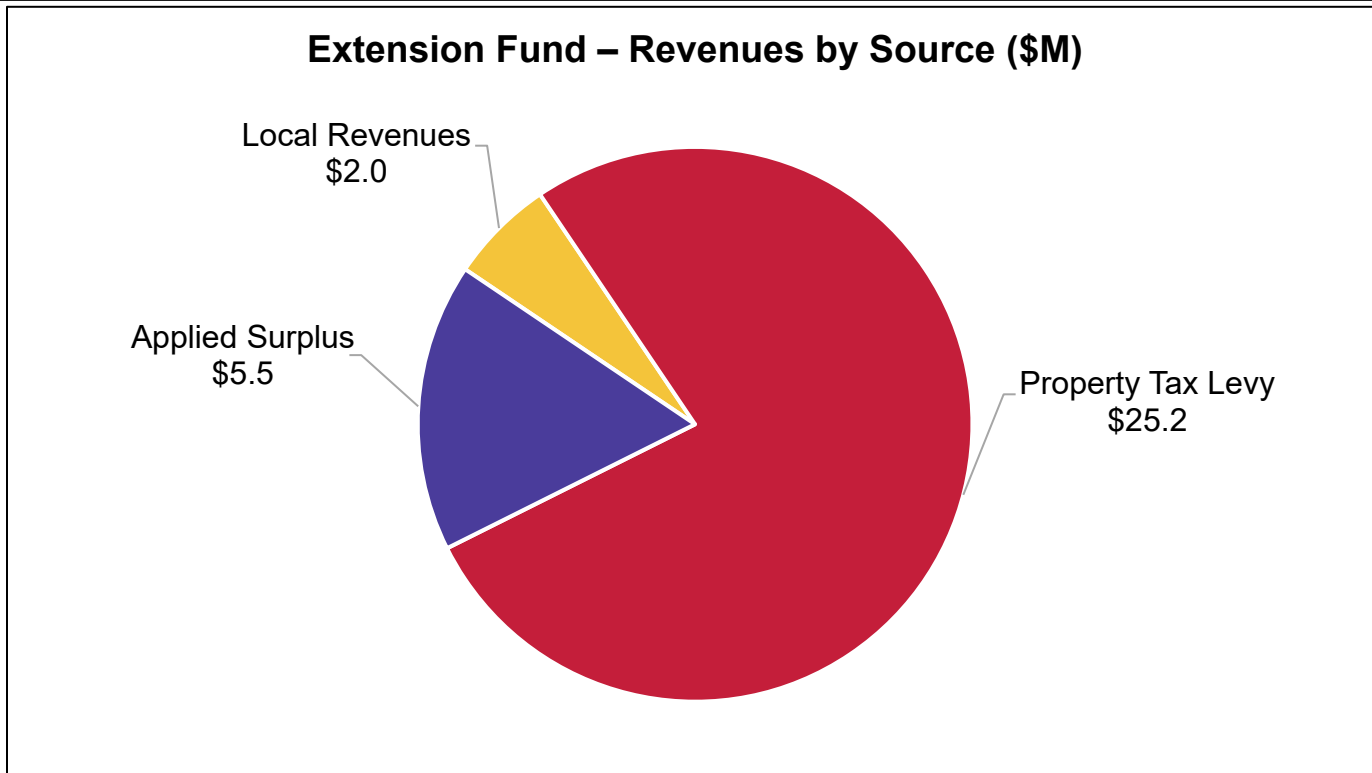


Nutrition Fund

2020-21 School Nutrition Services Fund – Expenditures by Object (\$M)

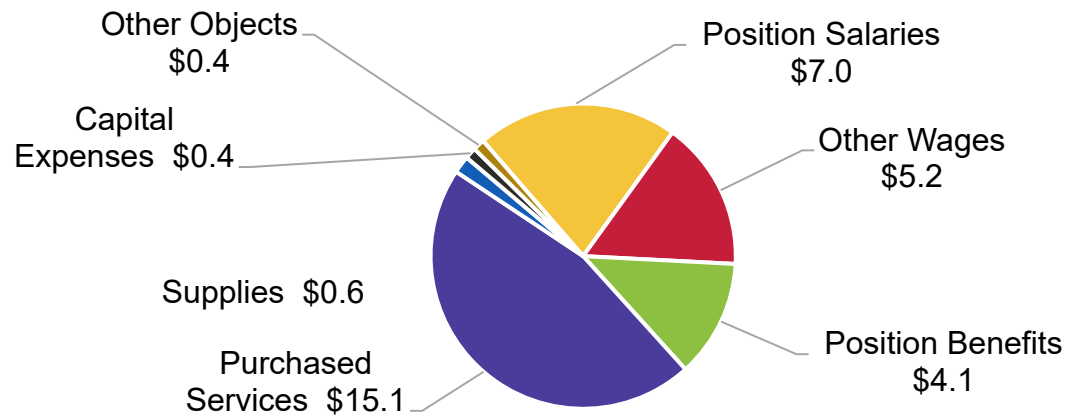


Extension Fund



Extension Fund

2020-21 Extension Fund Expenditures by Object (\$M)



Categorically Aided Programs Fund

Categorical Fund – Revenues by Source (\$M)						
Description	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 F.A.	2020-21 P.B.	Inc/(Dec)
Federal	\$125.6	\$120.5	\$116.8	\$147.5	\$148.9	\$1.4
State	\$28.0	\$28.5	\$34.6	\$33.2	\$34.3	\$1.1
Private	\$2.5	\$3.2	\$2.4	\$3.2	\$0.8	(\$2.4)
Less: Indirect	(5.0)	(5.1)	(4.8)	(5.9)	(6.7)	(0.8)
Total Categorical Fund	\$151.0	\$147.1	\$149.0	\$178.1	\$177.3	(\$0.8)

Program Types

- **Federal** includes ESEA (Title I-A, Title II, Title III & Title IV), SIG, IDEA and Head Start
- **State** includes AGR and others
- **Private** includes Rockwell PLTW and others





School and Central Service Budgets

Position Changes (All Funds)

- Decrease 42 central service positions (-4.0%)
- Increase 25 School Positions (+0.3%)

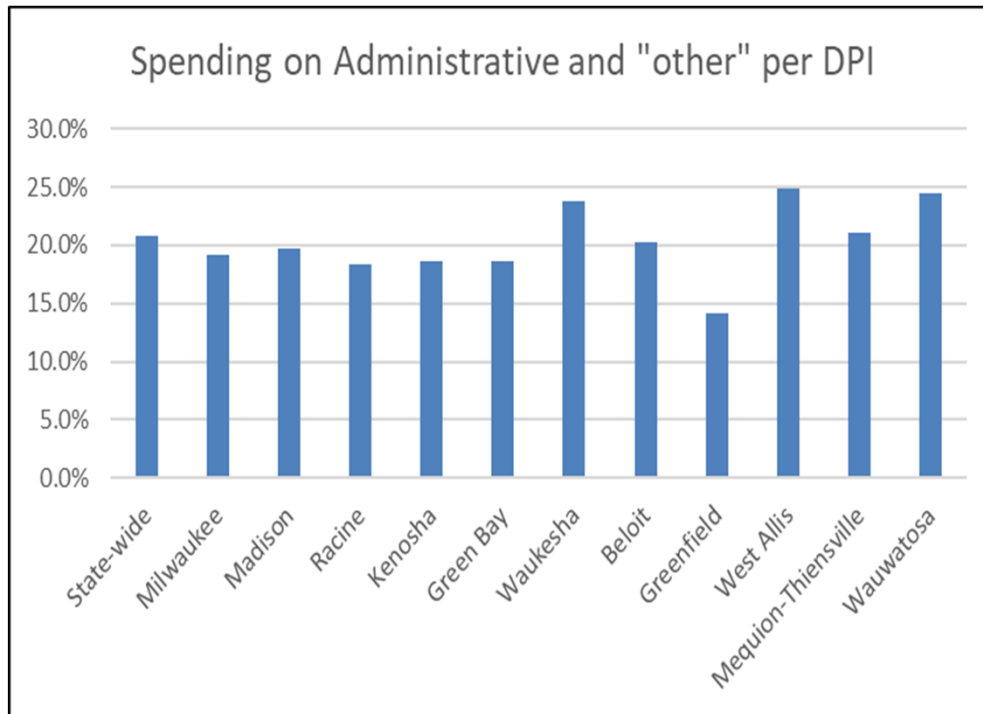


District Use of School Operations Fund

Description	FY20	FY21	<u>Difference</u> FY20 v FY21
Academics	\$9.0	\$7.6	-\$1.4
Accountability & Efficiency	0.8	\$1.0	\$0.2
Board/Board Governance	2.4	\$2.2	-\$0.2
Communications & Sch Performance	13.5	\$12.5	-\$1.0
Finance	4.6	\$5.3	\$0.7
Human Resources	5.4	\$5.6	\$0.2
Inter-department & Inter-fund	-10.5	-\$10.7	-\$0.2
Other Accounts	70.1	\$53.2	-\$16.9
School Administration	30.2	\$31.3	\$1.1
Schools	820.4	\$837.1	\$16.7
Superintendent	2.0	\$2.1	\$0.1
Total	\$947.9	\$947.2	-\$0.7



Administrative Cost Comparison



MPS is at par, even a bit lower than the state average for administrative costs—the statewide average is 20.7% and MPS is 19.1%



Proposed Long Range Opportunities



School Operations Fund – Five Year Projection

School Operations Fund – Five-Year Projection (\$M)									
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	FY24 vs FY20
	Actuals	Actuals	Actuals	F.A.	P.B.	Estimated	Estimated	Estimated	Inc / (Dec)
Federal Revenues	\$15.5	\$15.1	\$14.7	\$15.8	\$16.4	\$16.3	\$16.0	\$16.0	(\$0.3)
State Revenues	899.0	906.3	910.8	915.3	913.4	911.6	893.3	894.7	-18.6
Local Revenues	53.5	24.5	31.8	16.8	17.5	17.4	17.1	17.1	-0.4
Revenues (without applied surplus)	\$968.0	\$945.9	\$957.3	\$947.9	\$947.2	\$945.4	\$926.4	\$927.9	(\$20.0)
Expenditures									
Salaries/Wages	\$421.4	\$411.8	\$404.9	\$417.2	\$414.8	\$455.6	\$472.7	\$489.5	\$74.8
Benefits	188.3	221.5	218.9	227.3	225.7	240.9	248.8	257.5	31.8
Purchased Services	264.4	249.5	255.1	233.6	236.5	238.0	238.3	238.9	2.4
Supplies/Materials	49.6	29.7	21.2	24.3	24.0	25.6	27.0	28.1	4.1
Capital Purchases	4.2	4.1	3.3	2.5	2.4	2.9	3.0	3.1	0.7
Other Objects	66.6	33.2	45.3	43.0	43.8	47.3	49.5	50.0	6.3
Total Expenditures	\$994.5	\$949.7	\$948.7	\$947.9	\$947.2	\$1,010.3	\$1,039.4	\$1,067.2	\$120.0
Balance (before use of prior-year funds)	(26.5)	(3.8)	8.6	-	-	(65.0)	(113.0)	(139.4)	
Use of Prior-Year funds for Legacy Costs	-	-	-	-	-	-	-	-	
Final Surplus/(Deficit)	(\$26.5)	(\$3.8)	\$8.6	\$0.0	\$0.0	(\$65.0)	(\$113.0)	(\$139.4)	
Cumulative Surplus/(Deficit)	\$8.5	\$4.6	\$13.2	\$13.2	\$13.2	(\$51.8)	(\$164.8)	(\$304.2)	



Impacts to Budget

- Possible cost savings opportunities
- COVID-19 impacts
- Referendum



MPS Referendum Timeline



June 27, 2019

Resolution adopted by the Milwaukee Board of School Directors



August 2019

Community Survey launched



October 2019

Four community listening sessions held



November & December 2019

Community Task Force Convened



Dec. 19, 2019

Referendum question approved by the Milwaukee Board of School Directors



April 7, 2020

Election takes place

Focus Areas

1

Early Childhood

Providing more high-quality early childhood education

2

Certified Educators

Attracting and retaining certified educators

3

Supportive Services

More services such as school counselors, psychologists, social workers, nurses, and special education

4

Class Sizes

Reducing class sizes

5

Advanced Academics

Expand language programs, Advanced Placement (AP), International Baccalaureate (IB) and ethnic studies

6

Career & Technical Ed.

Ensuring students have access to high-quality comprehensive career and technical education

7

Library, Art, Music, Phy. Ed.

Increasing opportunities for students to participate in library services, art, music, and physical education



Referendum

2020–21 Referendum Proposed Budget	Fiscal Impact
Early Childhood/Class Size Proposed Budget	\$ 5,816,951
Attracting and Retaining Certified Educators Proposed Budget	29,867,436
Professional Support Staff Proposed Budget	8,054,018
Library Media Proposed Budget	2,623,696
Visual Arts Proposed Budget	2,121,062
Music Proposed Budget	1,530,098
Physical Education Proposed Budget	2,012,208
Advanced Academics Proposed Budget	2,983,359
Career and Technical Education Proposed Budget	1,991,172
Grand Total	\$ 57,000,000



Acknowledgements



Acknowledgements

- The annual budget represents the collective effort of district staff to deliver a responsible financial and operating plan on behalf of Milwaukee Public Schools.
- We would like to take this opportunity to acknowledge and thank all district staff and stakeholders for their contributions.



For More Information on the MPS Budget

An online version of the 2020–21 Superintendent’s Proposed Budget is posted on the district’s website at:

- mpsmke.com/budget

For more information about the 2020–21 Superintendent’s Proposed Budget, please contact MPS Office of Finance at (414) 475-8851 or via email at budget@milwaukee.k12.wi.us

