



**MILWAUKEE  
PUBLIC SCHOOLS**

**Office of the Superintendent**  
5225 W. Vliet Street, P.O. Box 2181  
Milwaukee, WI 53201-2181  
(414) 475-8001 • [mps.milwaukee.k12.wi.us](http://mps.milwaukee.k12.wi.us)

Dear Members of the Milwaukee Board of School Directors,

We are submitting, for your consideration, the Superintendent's Proposed Budget for the fiscal year July 1, 2020–June 30, 2021. The annual budget process ensures sufficient financial resources are available for educational programs, affords opportunities for collaboration and public input and provides the basis for fiscal management and accountability to the taxpayers and community stakeholders.

The administration approaches the budget process as an opportunity to improve decision-making and demonstrate its commitment to achieving goals established by the Milwaukee Board of School Directors and also meet the expectations of the parents and children attending our schools. The proposed budget for Milwaukee Public Schools represents a genuine commitment to the students, families and staff.

Approved budget parameters developed in collaboration with the Milwaukee Board of School Directors guided the development of the proposed budget. We look forward to feedback and discussion on the proposed budget during upcoming public meetings.

The proposed budget is the result of extensive engagement of community stakeholders and intentional input from the Milwaukee Board of School Directors. The purpose of this transmittal letter is to provide pertinent background information on factors that influenced budget preparation as well as those that are likely to impact future budgets moving forward. This process is highly invaluable as the budget is used as a planning and policy document, estimating current and future revenues and expenditures that dictate the extent to which the district can execute essential improvement strategies.

## Financial Outlook

Long-term financial stability is an ongoing concern for MPS. The governor's biennial State of Wisconsin budget that was approved in July 2019 included a per-member adjustment to each district's revenue limit, equal to \$179 in fiscal year 2020–21. This represents a relatively flat maximum revenue per pupil since the 2010–11 school year: \$10,013 compared to \$10,476 in FY21. At this level MPS's revenue limit is still far below that of neighboring districts. This low limit is made worse by the fact that the revenue formula does not account for students who are English learners or are economically disadvantaged. These two groups of students comprise a significant segment of the district's student population.

**Projected Revenue**  
\$1.2 billion

**School Operations**  
91¢ of every dollar is dedicated to educating and supporting students

**Enrollment**  
Projected to serve 74,966 students in 158 schools

**Employees**  
90% of MPS's 9,597 employees work in the schools

**Audit Opinion**  
Unmodified (clean) audit opinions

**Awards**  
GFOA Certificate of Achievement for Excellence in Financial Reporting for 30 years

## Projected Enrollment

Static revenues are further influenced by declining student enrollment. The declining birth rate and the highly competitive nature of the K–12 environment in Milwaukee add to the urgency to retain and increase student enrollment. The 2020–21 enrollment in the 158 MPS schools is projected at 74,966 and is consistent with the current year’s enrollment. Although MPS has the largest enrollment in Wisconsin, the district, through the state funding formula, is assigned a low revenue limit as compared to neighboring districts.

Milwaukee Public Schools

**Projected to  
serve 74,966  
students  
in 158 schools**

## Revenue Overview

Chart T.1 shows a revenue comparison between the 2020–21 Superintendent’s Proposed Budget and the 2019–20 Amended Adopted Budget allocated to the district’s fund designations. The budget has total projected revenues of \$1,219,023,008.

Chart T.1 District Revenue Overview (\$M)

| 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%)                    |
| <b>Total All Funds</b> | <b>\$1,216.2</b>               | <b>\$1,219.0</b>        | <b>\$2.8</b>            | <b>0.2%</b>               |

\* The sums of the figures above do not equal the total displayed due to rounding.

While the district’s financial challenges are outlined throughout the proposed budget, the impact of those numbers is best understood by considering the needs of our students. MPS is determined to follow through on equitable student-centered funding priorities using general operating funds from state aid, property taxes, federal aid and local sources. However, under the state funding formula, the School Operations Fund is expected to decrease by 0.1%, which makes it difficult to cover rising costs and provide a long-term source of operating revenue.

To address these challenges, we engaged in a comprehensive process to find a solution that meets the needs of students and ensures the long-term financial stability of the district by working with the Milwaukee community concerning MPS’s needs.

## Community Engagement

The budget development process is always a collaborative effort involving students, School Engagement Councils, families, school teams, district-level staff, task forces, community stakeholders, the superintendent and the Milwaukee Board of School Directors. In June 2019, the Milwaukee Board of School Directors passed a resolution empowering district leadership to develop a robust community engagement plan to further involve the community in a discussion about the district’s needs and sustainable solutions for the existing financial challenges.

## Community Survey and Listening Sessions

In response, MPS launched a community-wide survey and invited members of the entire district community to participate in August 2019. The survey was designed to reach as many community members as possible in an effort to learn what they wanted for their district. The survey was translated into Arabic, Burmese, Hmong, Karen, Rohingya, Somali and Spanish. A series of community engagement sessions were also held throughout the city. In the survey and during the sessions, efforts were made to understand the expectations of parents and community members concerning what their schools should provide students. In each of the four sessions, MPS provided facts to community members about the district’s enrollment trends and projections, answered questions from community members about those trends and projections, and solicited feedback to assist the board in allocating resources to meet the needs of the students. Hundreds of Milwaukee residents attended the four listening sessions to express their opinions, and approximately 25,000 individuals completed the survey. The results showed that a significant portion of the community agreed on the essential education elements that encompass a quality K–12 education as outlined in Chart T.2 below.

## Community Task Force

Based on the survey and listening session information, the Milwaukee Board of School Directors then enlisted the assistance of a task force to include members from various sectors of the Milwaukee community. The 32-member task force was charged with independently examining the district’s needs and developing possible solutions to achieve a unified vision. The task force’s priorities were direct: increase equity and excellence in our schools and promote positive educational, social and emotional outcomes for our community’s children.

The task force meetings resulted in a recommendation for MPS to frame and execute a citywide referendum for the first time in 25 years to enable the district to attract and retain high-quality certified teachers, offer more career and technical education programs, and expand art, music, physical education and language programs. As part of the spring election on April 7, 2020, the community overwhelmingly voted in support of the referendum. Through the referendum MPS will meaningfully impact the quality of the educational experience provided for Milwaukee children.

## Budget Overview

Efforts to impact funding inequities and engage community stakeholders heavily influenced development of the 2020–21 Superintendent’s Proposed Budget. These efforts included the survey, listening sessions as mentioned above and Milwaukee Board of School Directors public meetings that allowed for testimony concerning the priorities of the district. The proposed budget is built on estimates of the state funding formula without the additional recurring revenue of \$57.0 million allowed by the referendum in the first of a four-year phase-in model. The referendum funding will be presented in a separate document in order to allow for full transparency.

Chart T.2 Community Survey Results

| Percentage of Survey Respondents Who Somewhat to Strongly Agree that the Following Are Essential Elements for Quality K–12 Education |     |
|--|-----|
| Librarians, art teachers, music teachers and physical education teachers   | 86% |
| 86% Certified teachers and support staff   |     |
| Supportive services (school counselors, psychologists, social workers and nurses)  | 85% |
| 84% Comprehensive career and technical education   |     |
| Continuing staff education   | 81% |
| 77% World languages, bilingual and language immersion programming options  |     |
| Small class sizes  | 76% |
| 74% Program-specific offerings (Montessori, International Baccalaureate and Advanced Placement)                                      |     |
| Three-year-old kindergarten  | 65% |

MPS is proud to serve the students entrusted in our care. The budget is testimony of this importance. For every dollar budgeted in the MPS School Operations Fund, ninety-one cents is used to educate and support children in Milwaukee. This increase, compared to ninety cents in 2019–20 and eighty-eight cents in 2018–19, includes both supplies and personnel but especially the district’s largest group of employees: teachers. Six cents of every dollar in the fund is used to support non-school-based staff and services, while the remaining three cents supports necessary operations expenses such as insurance and debt repayment. The budget guides district and school staff in using resources in a strategic, responsible and transparent way to ensure rigorous and equitable learning experiences for all students.



The proposed budget is premised on achieving three primary goals of the Milwaukee Board of School Directors: academic achievement; student, family and community engagement; and effective and efficient operations. To achieve these ambitious goals, the Five Priorities for Success serve as a strategy to increase academic achievement and accountability, improve district and school culture, develop our staff, ensure fiscal responsibility and transparency, and strengthen communication and collaboration. Prioritizing fiscal resources in schools reflects the district’s unwavering commitment to eliminate the disparities in educational opportunities and outcomes that exist among our students today.



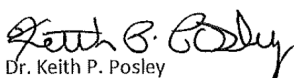
The proposed budget reflects the commitment to provide the best possible learning opportunities for all MPS children. This is evidenced by the following examples of additional resource allocations in these critical areas:

- School budgets
- School-based staff
- Educational programming such as Montessori and bilingual
- Employee salary schedules
- Maintenance of safe and conducive learning facilities
- Pursuit of accreditation for Recreation & Community Services

MPS embraces the reality that public education holds the power to transform the lives of the next generation of Milwaukee leaders and citizens. The district is committed to aligning budget resources with the Five Priorities for Success and sustaining funding in schools to stimulate student achievement. The district continues to advocate for equitable, predictable and sustainable funding. This is very important at a time when the funding formula at the state level does not allow for increasing the district’s fund balance without impacting state aid and with the loss of integration aid on the landscape in fiscal year 2022–23. The success of the recent referendum is an encouraging first step. It allows MPS to exceed the revenue limit and align the resources our students need to optimize their potential. The increased revenue will be recognized in a supplemental document to the proposed budget.

The proposed budget was developed with thoughtful care and input from the students, staff and community we serve. The hard work that you have done as a board concerning providing students the best educational opportunities has positioned Milwaukee Public Schools to provide expanded opportunities. We look forward to continued work with the Milwaukee Board of School Directors and the entire community as we continue conversations and implementation of resource allocations to strengthen Milwaukee Public Schools

Respectfully,

  
Dr. Keith P. Posley  
Superintendent of Schools

  
Maitha Kreitzman  
Chief Financial Officer