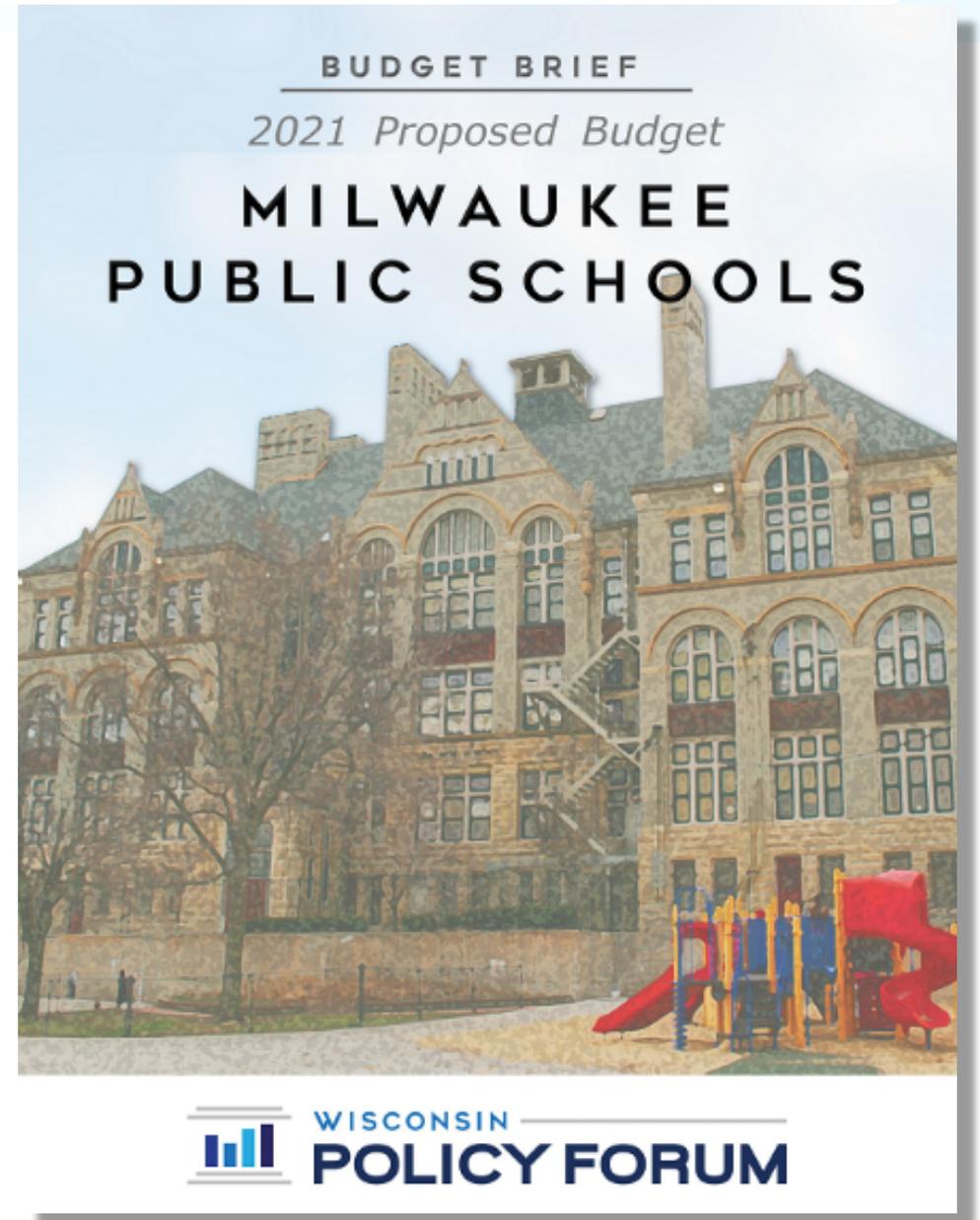




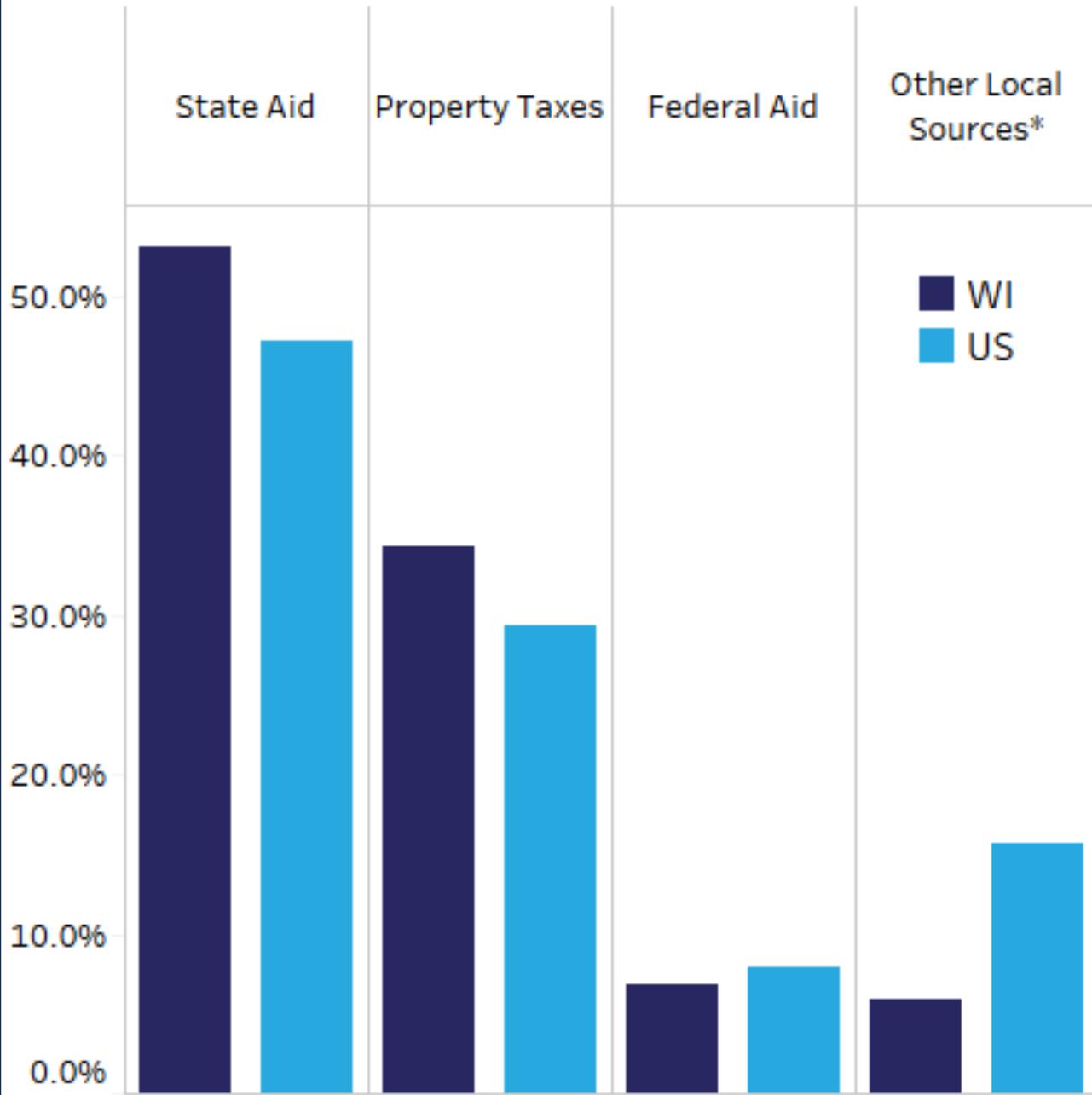
BUDGET BRIEF: 2021 PROPOSED MPS BUDGET



BUDGET OVERVIEW

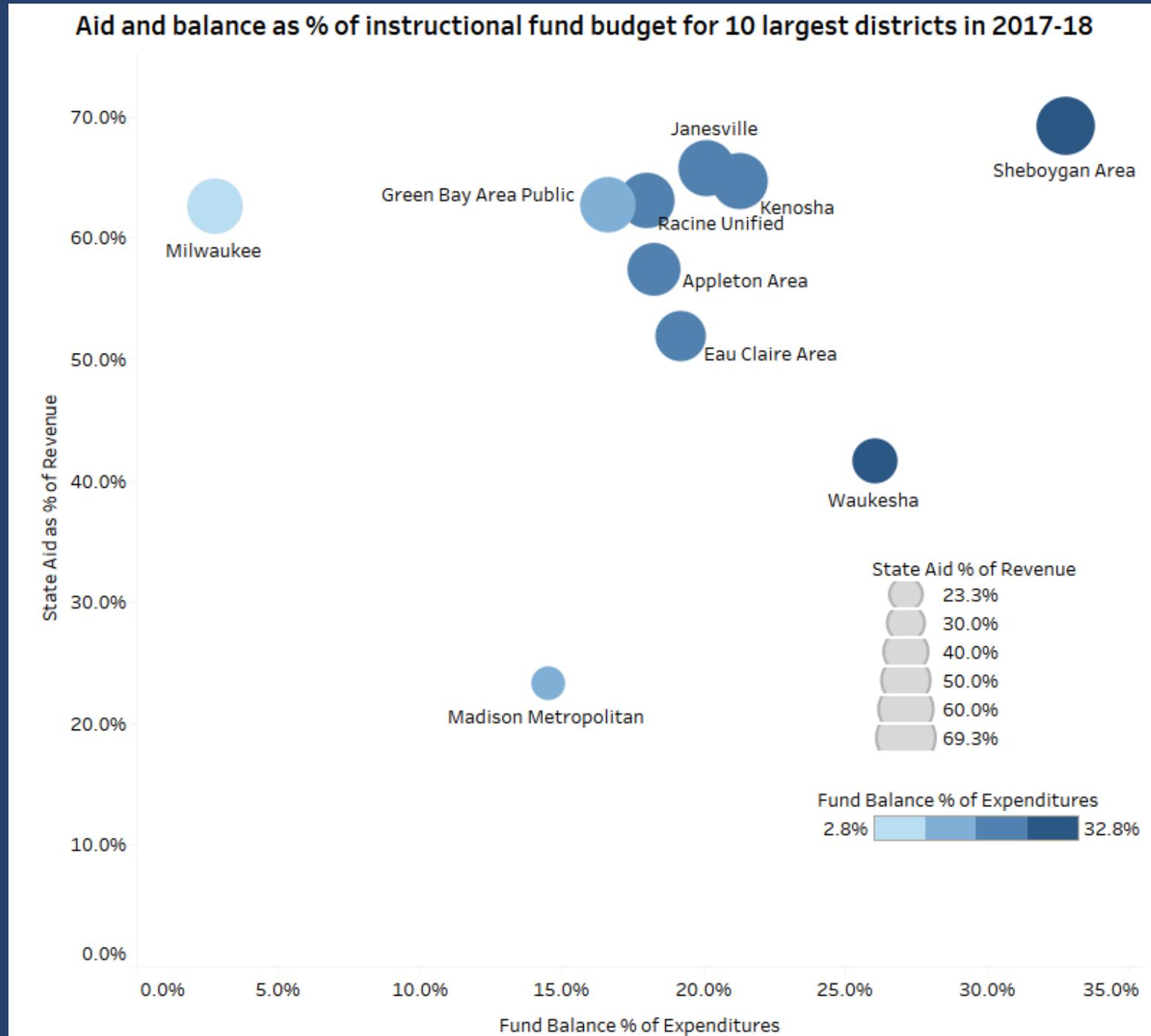
- **Baseline budget conveys district's fiscal picture *without* a global pandemic and ability to exceed state revenue limits via referendum.**
- **With minimal revenue increase and new compensation framework, central services again scaled back, maintenance deferred.**
- **Several one-time budget actions needed to make ends meet, including removal of \$9.3 million from a special reserve fund.**
- **The added \$57 million from the referendum provides new hope, but will it be tempered by new COVID 19-related budget holes?**

Share of 2017 Revenue by Source, WI K-12 Districts Vs US



**Wisconsin
Schools
Rely More on
State Aid**

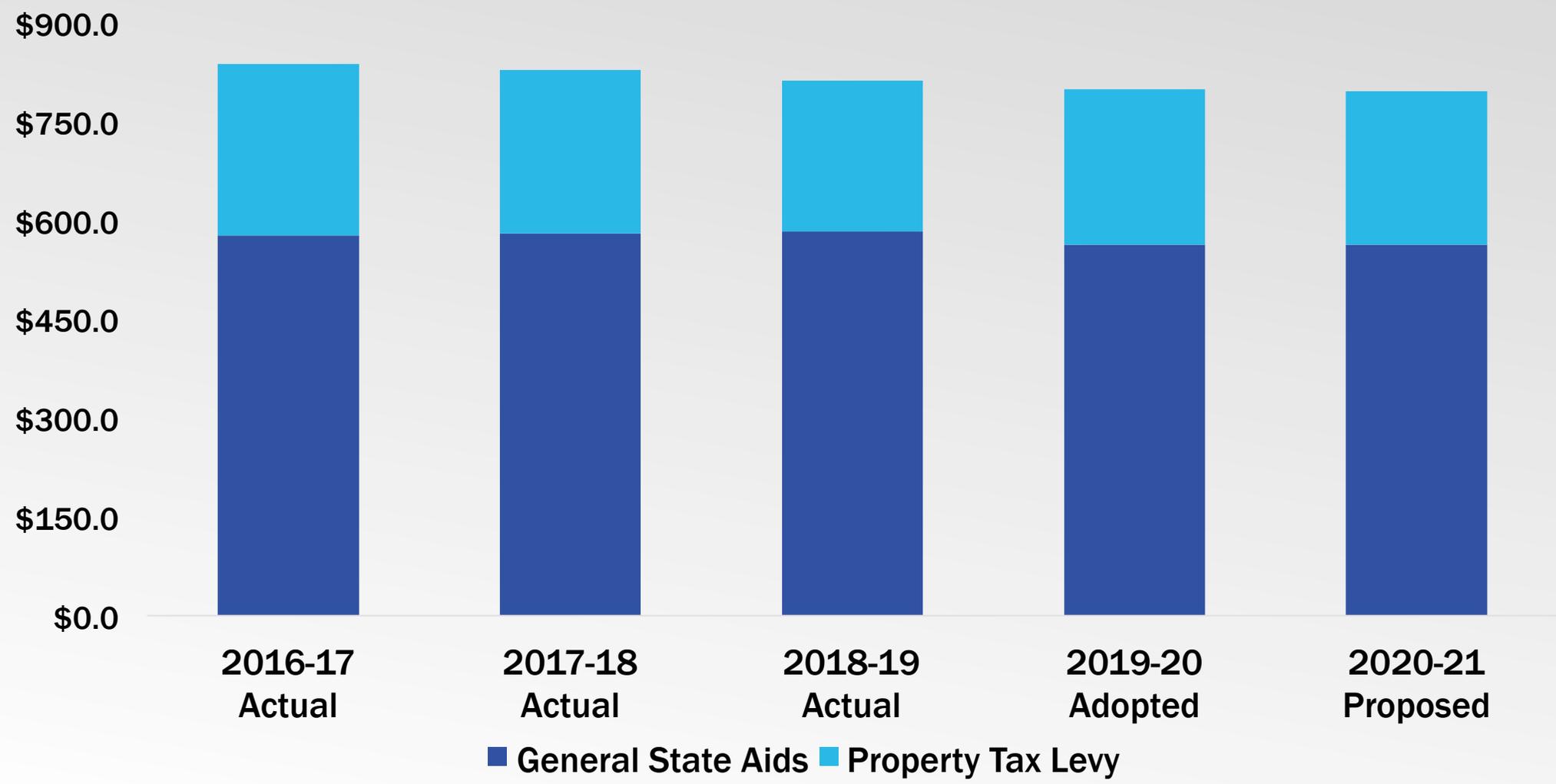
State Aid and Fund Balance for Largest Districts



MPS Revenues by Fund

Fund	2020 Budgeted	2021 Proposed	2020 to 2021 % change
School operations	\$947.9	\$947.2	(0.07%)
Categorical	\$178.1	\$177.3	(0.5%)
Construction	\$2.6	\$6.6	151.7%
Nutrition	\$54.9	\$55.2	0.5%
Extension	\$32.7	\$32.7	0.0%
Total	\$1,216.2	\$1,219.0	0.2%

Property Taxes & Gen. State Aids



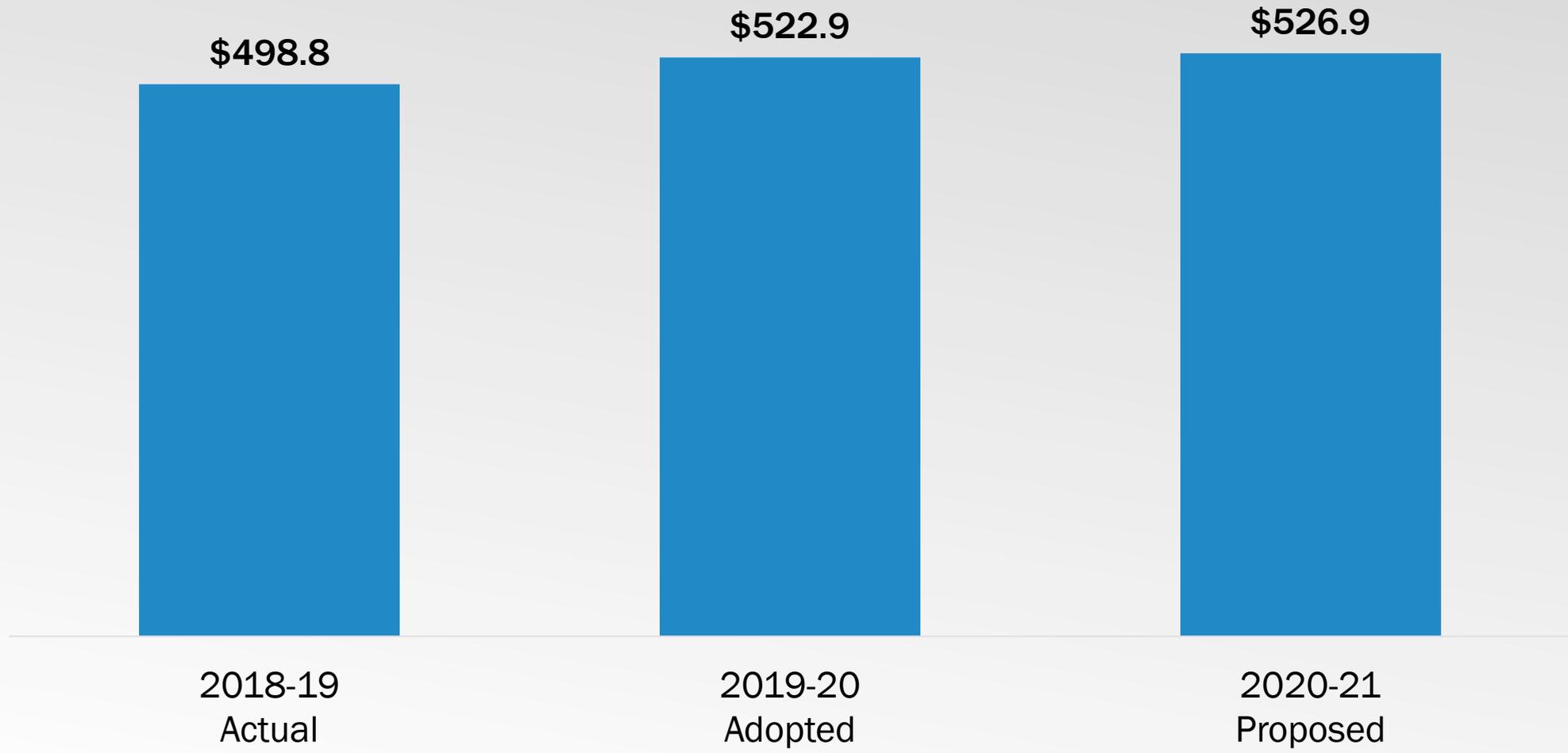
MPS Department Expenditures

Expenditures	2020 Budgeted	2021 Proposed	2020 to 2021 % Change
Schools	\$931.6	\$953.7	2.4%
Central Offices	\$220.4	\$215.5	(2.2)%
Other Accounts	\$73.3	\$60.5	(17.5)%
Inter-department & Inter-fund	(\$9.1)	(\$10.6)	(1.5)%
Total	\$1,216.2	\$1,219.0	0.2%



**KEY #1: RAISES DRIVE BUDGET
BUT FULL COST IMPACT MURKY**

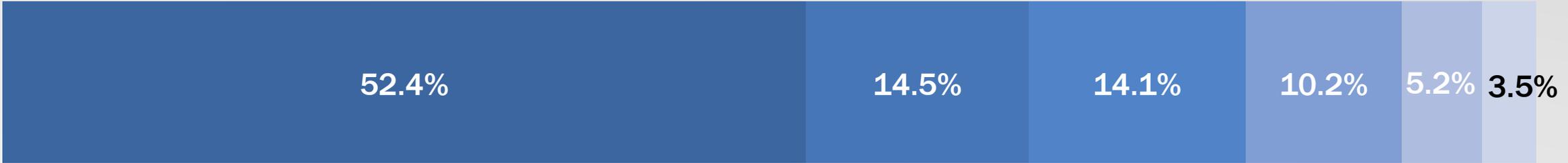
MPS Proposed Salary Increase





**KEY #2: REFERENDUM
ADVANCES KEY PRIORITIES,
FINANCIAL CHALLENGES
REMAIN**

Proposed Referendum Spending (\$57 M)



■ Attract/retain certified educators

■ Library, art, music, PE

■ Professional support staff

■ Early childhood/class size

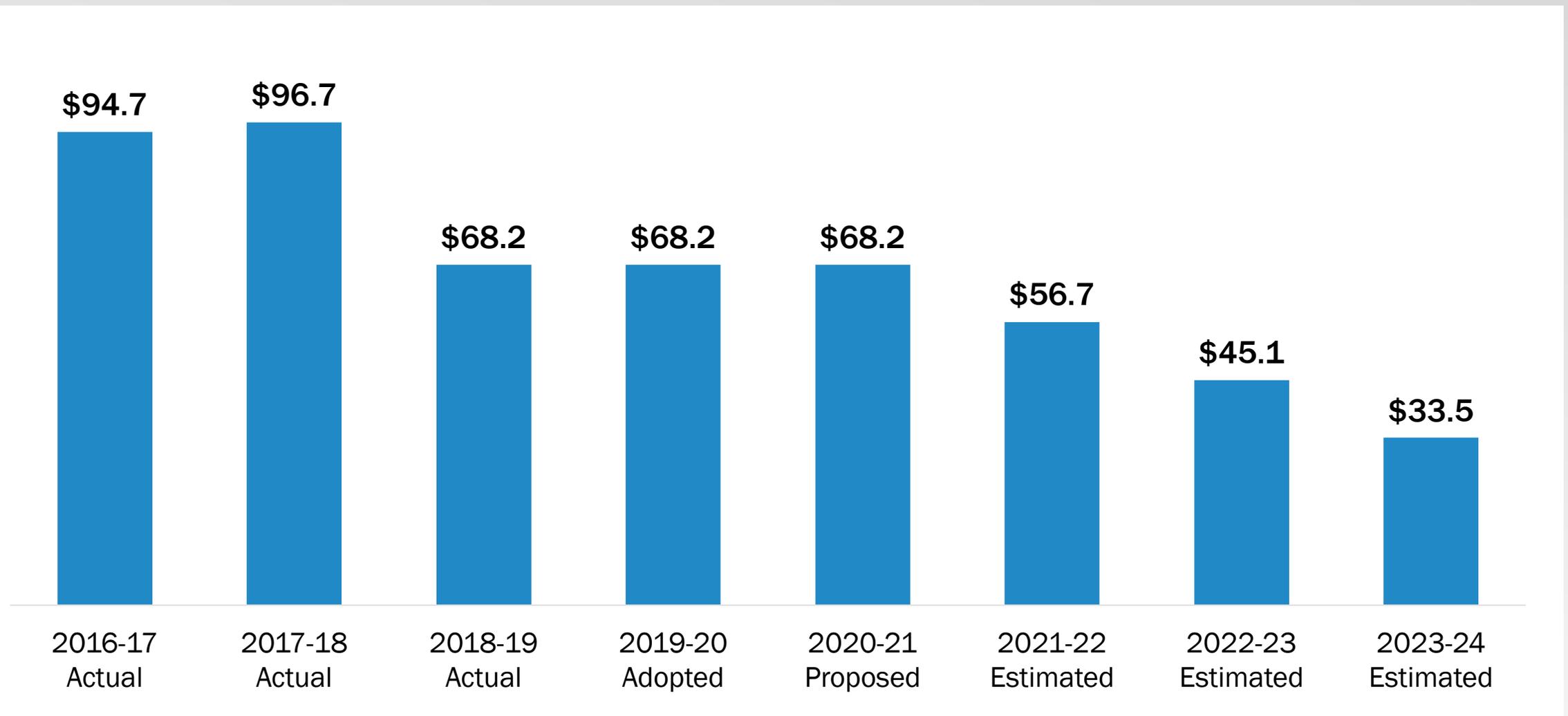
■ Advanced academics

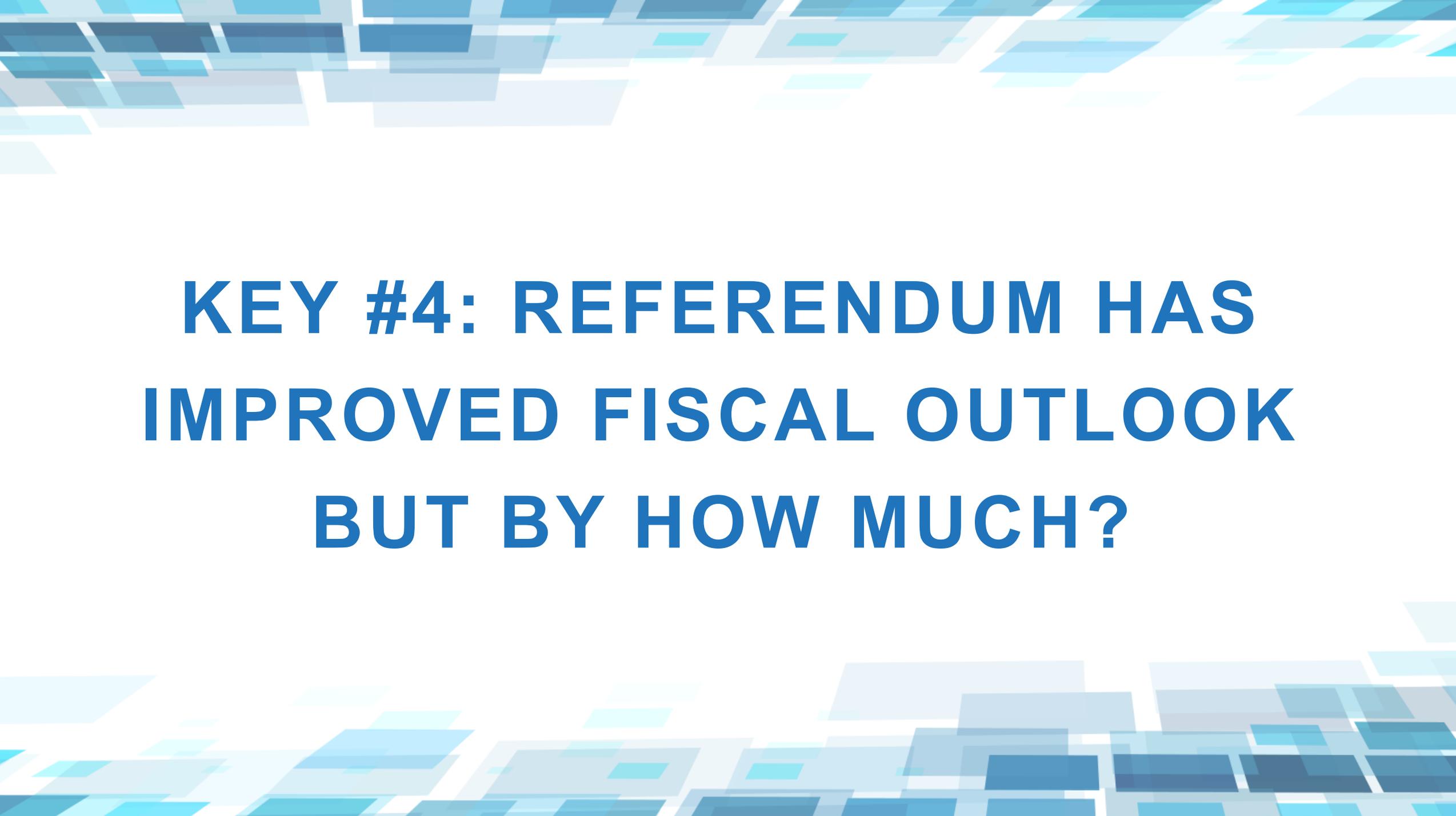
■ Career and technical education



**KEY #3: STILL NO STRATEGIC
FACILITIES PLAN WHILE NEEDS
GROW**

MPS Construction Fund Balance





**KEY #4: REFERENDUM HAS
IMPROVED FISCAL OUTLOOK
BUT BY HOW MUCH?**

5 YR Operating Budget Projection

Category	2021 Proposed	2024 Estimated	% Change
Revenues			
Base revenues	\$947.2	\$927.9	(2.0%)
Referendum-based extra capacity	\$57.0	\$87.0	52.6%
Total revenues	\$1,004.2	\$1,014.9	1.1%
Expenditures			
Salaries/other wages	\$414.8	\$489.5	18.0%
Benefits	\$225.7	\$257.5	14.1%
Purchased services	\$236.5	\$238.9	1.0%
Other	\$70.2	\$79.2	12.8%
Total expenditures	\$947.2	\$1,067.2	12.7%
Surplus/(Deficit)	\$57.0	(\$52.3)	

AMENDMENTS & ADJUSTMENTS

- **Early Retirement Window (ERW):** Gives retirees health benefits costing \$7.4 million in 2021. Redistributes \$6.9 million in referendum money for early childhood, standard of care, HR redesign, support staff, academic programming. What will be the impact in future years, and is this affordable/sustainable?
- **Transportation savings:** \$ 3 million in savings from new three-tier bus schedule makes room for more money in salary schedule and ERW – do other non-instructional cut options need to be pursued to accommodate ongoing spending needs and priorities?

CONCLUSION

- **Proposed budget again prioritizes keeping schools whole, meaning central services must be cut and facility needs deferred.**
- **Did gamble to protect schools while spending down fund balance and delaying other actions pay off w/passage of referendum?**
- **Can the enhanced educational offerings promised by referendum be sustained? Or, will pandemic-related impacts, phased-out Integration Aids, and compensation changes exhaust those resources?**
- **In either case, will MPS have the capacity to address facility needs?**